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# Sub-Saharan Africa Report

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6 APRIL 1987

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PLO ENVOY ON ZIONISM APARTHEID LINK

Accra GHANAIAIAN TIMES in English 21 Feb 87 pp 1, 3

[Text]

Mr Shaban Adnan, Charge d'Affaires of the PLO Embassy in Ghana, has called on Africans to join Palestinian in their fight against zionism and apartheid — the twin evils of imperialism and exploitation.

Speaking at the third in a series of lectures organized by the Ghana Journalists Association on the Palestinian situation Mr Adnan explained that the Jewish settlers in Palestine had instituted zionism like apartheid in racist South Africa to exploit the Palestinians who were the rightful owners of the land.

He said as a result of the common goals of zionism and apartheid, zionist Israel and apartheid South Africa were collaborating in several fields to ensure their survival.

One such collaboration, he said, was the diversion of American arms to Pretoria for use against the Africans on their own God-given land.

Mr Adnan disclosed a joint plan by Israel and South Africa to manufacture fighter aircrafts and develop nuclear weapons and the supply of South African uranium to Israel in exchange for nuclear technology.

According to Mr Adnan, the survival of Israel depended to a large degree on South Africa and it, therefore, behoved both the dismantling of apartheid in South Africa.—GNA

/13046  
CSO: 3400/241

## HYDROELECTRIC POWER PROJECT RECEIVES IDA ASSISTANCE

Accra PEOPLE'S DAILY GRAPHIC in English 21 Feb 87 p 5

[Text]

**THE International Development Association (IDA) is to loan Ghana 6.3 million dollars in support of a hydro-electricity project in the northern part of Ghana this year.**

The credit is for 50 years with a 10-year grace period. It carries no interest but has annual charges of 0.5 per cent on undisbursed

balances and 0.75 per cent on disbursed balances, a statement issued from the World Bank office in Accra and released by the Ministry of Foreign Affairs yesterday.

The project will cover the urban centres of the Brong Ahafo, Northern and Upper Regions.

It said the total project is estimated at 147.9 million dollars with additional financing from the African Development Bank, 38.3 million dollars, the Commonwealth Development Corporation and the Eu-

ropean Investment Bank both of which will provide 36.7 million dollars.

Other finances are expected from the Canadian International Development Agency 7.5 million dollars, the Japanese Exim Bank, five million dollars and the Volta River Authority, 54.1 million dollars.

The project, when completed is expected to increase productivity in the country's forestry and agriculture-related industries, the statement added.—GNA

/13046

CSO: 3400/241

## EXCHANGE RATE PEGGED UNIFORMLY TO AUCTION SYSTEM

Accra PEOPLE'S DAILY GRAPHIC in English 21 Feb 87 pp 1, 5

[Article by C.S. Buabeng]

[Text]

**ALL transactions within the economy will now be dictated by the weekly auction of the dollar.**

This follows the abolition of Window One under which crude oil, processed petroleum products, foreign inputs for GHAIIP and essential drugs were imported at the fixed rate of C90 to a dollar.

Dr Kwesi Botchwey, Secretary for Finance and Economic Planning announcing this in Accra yesterday in his state of the economy and 1987 Budget at a press conference said the move is to remove the burden of subsidising those products by cocoa farmers who live in a state of deprivation.

The Bank of Ghana, he said, will now authorise licensed dealers other than banks to set up "bureau de change" to buy and sell foreign exchange officially.

Effort is also being made to encourage non-traditional export through incentives. Consequently, the export levels of retention has been increased from 20 to 35 per cent.

The PNDC has decided to bloc the lost massive amount of foreign exchange every year through illegal mining and export of gold. As a result, private gold dealers will be licensed just as diamond winners.

Again the government is studying proposals to authorise the licensing of offi-

cial buyers of gold.

Dr Botchwey submitted that the time has come for the government to eliminate wasteful and non-productive expenditures in the budget and to free more resources for important social services.

Consequently while those services are being provided, a programme for generating revenues to sustain the cost must be pursued.

He cited the situation under the free text-book system which a pupil is levied C4.50 a year while there are no books and basic stationery so the public schools become the object of ridicule as an example for the need for Ghanaians to face the realities of the prevailing situation and help salvage the economy.

Total expenditure for the current fiscal year, he said, is estimated at C109,407 million.

Estimated revenue and grants are C109,711 million. A modest surplus of C304 million is expected.

According to Dr Botchwey, C18,200 million has also been earmarked for development.

In a chat with the "Graphic" after the state of the economy press conference, Dr Botchwey said the estimated revenue is "a pessimistic figure."

He explained that three factors produced the shortfall in the estimated revenue last year namely,

high COCOBOD's operational expenses, less import and removal of import duties.

He announced that the rate of inflation is targetted at 15 per cent while the Gross Domestic Product is expected to grow at not less than 5 per cent.

He emphasised that the key dimension to the country's development efforts should be the continued harnessing of community initiatives to contribute to the government's limited resources.

Such initiative and contributions would be needed to ensure the provision of electricity, water supply, road construction and houses at reasonable cost for working people.

Three hundred buses are to be imported to improve the public transportation system. In addition, 130 passenger coaches and four locomotives will be brought into the country.

The rehabilitation of the Eastern and Central Railway lines will also begin this year.

On the provision of electricity to the Northern Sector of the country under the National Transmission grid which begins this year, \$150 million will be spent when completed in 1990.

Eight agencies ADB, IDA, EDE, CDC, Saudi Fund for Development, CIDA, Japanese Exim Bank and the VRA will fund the project. Again,

VRA will contribute local components equivalent to \$45 million.

When the project is completed, Brong Ahafo, Northern, Upper East and West Regions will be connected to the existing grid. Furthermore, \$16 million is expected to be spent on rehabilitating existing diesel generators.

Extension of Volta Region rural electrification from Denu-Keta will begin.

Dr Botchwey announced that the government is working out a system where donors will channel some resources through the district authorities where priorities could be properly set.

On the educational reform, the Secretary said the government will make financial provision by providing the roofing and pillars of classrooms while the communities fill in the walls. Support will also be provided for essential renovation of existing structures.

On housing, the Secretary said, support will be given to SSNIT, SIC and REDCO to complete the projects in phases.

He submitted that the country cannot perpetuate the dependence on foreign loans and grants in her development effort and surpluses must be generated by the people to secure the national sovereignty and independence.

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CSO: 3400/242

UNIT ESTABLISHED TO INVESTIGATE LOCAL GOODS PRICES

Accra PEOPLE'S DAILY GRAPHIC in English 24 Feb 87 p 1

[Text]

**THE government has set up a unit to look into the cost structure of some of the locally manufactured goods with a view to lowering prices, Mr Ato Ahwoi, Secretary in charge of the National Revenue Secretariat, announced at the weekend.**

Mr Ahwoi who held discussions with chief executives and members of CDRs at workplaces in the Tema township said "there is something basically wrong with the cost of some commodities produced in the country".

He cited the Food Specialities which produces a

tin of milk at the cost of C42 and sells it at C50, while milk brought into the country with the Special Unnumbered Licence (SUL), sells at C35 after paying all duties.

Mr Ahwoi said the prices of a colour television set and deep freezer manufactured by Ghana Sanyo are higher than imported ones.

He said research results of the unit would help the government to eliminate some of the inefficiencies at the factories.

Mr Ahwoi said while the government has no sympathy for consumers who prefer imported butter and long grain rice to locally produced ones, there is the need to ensure that local goods are reasonably priced—GNA.

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CSO: 3400/241

## BRIEFS

ABU BRIDGE COMMISSIONED--A new 33-metre single span steel-bridge over the River Abu at Dwaaho-Ashanti in the Ahafo-Ano District has been commissioned by the Ashanti Regional Secretary, Colonel (rtd.) E.M. Osei-Owusu. The bridge was part of a programme under an agreement signed in 1982 between the Ministry of Roads and Highways and the Federal Republic of Germany. The agreement was on constructing bridges on feeder roads in farming areas. Col Osei-Owusu, who was on a two-day tour of the District, appealed to farmers to exercise restraint in their demand for compensation when their land is taken over for development projects. Mr Danny Nana Osei Mainoo, Procurement Manager of Allgemaine Bau (ABU), the contractors, said the bridge was completed at the cost of ¢700,000 and a foreign exchange component of 1.5 million Deutsche marks. Nana Owusu Afriyie, Dwaahohene, said the wooden bridge over the River Abu collapsed in 1977 and that efforts to get timber contractors operating in the area to repair it proved futile.--GNA [Text] [Accra PEOPLE'S DAILY GRAPHIC in English 23 Feb 87 p 3] /13046

CSO: 3400/242

RESCHEDULING OF SWISS DEBT SHOWS 'CONFIDENCE' IN ECONOMY

Abidjan FRATERNITE MATIN in French 30 Jan 87 p 6

[Article by Diaby Aboubakar]

[Text] Minister Seri Gnoleba and Claudio Caratsch, Swiss ambassador to the Ivory Coast, met in the minister's office yesterday to initial an agreement concerning the rescheduling of the debt totaling 16.8 billion CFA francs. After the two officials expressed their satisfaction with the good relations existing between their countries, Gnoleba emphasized the positive aspect of the rescheduling over several years which international creditors have granted our country.

This proves once again the confidence they have in the future of our economy.

The first of its type granted to a debtor country, the rescheduling agreement just signed for the Ivory Coast, within whose framework if the agreement just signed with Switzerland, covers a 3-year period for the Club of Paris and 4 years for the Club of Rome.

It is a mechanism that enables us to make medium-term growth projections. The rigorous measures courageously taken by the Ivorian Government in a period of economic crisis, in an effort to restore the economic balance, have borne their fruit. The Ivorian economy has emerged from the tunnel and is gradually working its way toward expansion.

However, one must recognize that there is still a long and difficult way to go to achieve an effective recovery, if one believes in the excessive drop in the value of the dollar -- which hurts us more than it helps us -- and given the drop in the price of our raw materials that continued last year. These are all phenomena that reduce our country's financial capacity and make renewed growth indispensable, for its counterpart is an increase in national wealth.

In other words, the rescheduling of the debt for several years is a good thing, but our economy needs not only real relief, but also adequate resources to stimulate the long-awaited growth.

Having won the battle for stability, trying to maintain the economic status quo would be harmful to our economic system which, on the basis of the stability acquired at the cost of a thousand efforts, now needs a real growth boom.

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AL-QADHDHAFI'S ACTIONS IN CHAD SCORED

Abidjan FRATERNITE MATIN in French 28 Jan 87 p 31

[Article by F.L. Doubass: "Physician, Heal Thyself!"]

[Text] In speaking recently about the Iraqi-Iranian conflict to the press, the leader of the Libyan Revolution, Col Mu'ammarr al-Qadhdhafi proposed the establishment of an Islamic Force of Interposition between the Iraqi and Iranian armies. What a fine, praiseworthy move on behalf of peace!

Al-Qadhdhafi finds that this (Iraqi-Iranian) war is nonsense: Iraq is not a territory that Iran has to liberate and since, he says, the Arabs do not have the might to annex the Persian nation, everything must be done to establish peace between the two neighboring countries.

This pertinent analysis by the Jamahiriya of the situation in the Arab-Persian Gulf naturally leads me to pose a number of questions concerning another conflict, which has also resulted and unfortunately continues to result in victims: the Chadian-Libyan conflict.

Is Chad a territory that Libya must liberate? From what occupier?

Can Tripoli annex Ndjamen, despite the OAU Charter, which speaks of the intangibility of borders inherited from colonial days, noninterference by a nation belonging to the OAU in the affairs of another sovereign country?

If the Iraqi-Iranian conflict, by virtue of the fact that it has been taken to the cities and innocent victims are losing their lives, can be described as a "dirty war," then what label can one use in speaking of the Chadian-Libyan war, in which Libyan bombers daily drop tons of bombs on the Chadian areas of Kalait, Arada and Zouar?

Perhaps the word "barbaric" would better fit the situation.

Since al-Qadhdhafi sees himself as a man of peace, does he not think that in order to bring peace to a conflict in which he is involved, he would be sufficient for him to withdraw his troops from Chadian territory so that peace, true peace, may be restored there for a long time to come?

Does he not think that the real Chadian conflict, meaning the fight for power which pits two or more Chadian leaders against one another, can be easily settled through the good offices of the OAU?

I would propose that the Libyan leader meditate upon this wise thought:  
"Physician, heal thyself!"

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## HUNGARIAN DEPUTY FOREIGN MINISTER VISITS

Abidjan FRATERNITE MATIN in French 23 Jan 87 p 5

[Article by Lebry Leon Francis]

[Text] The diplomatic ballet which our country has witnessed since the beginning of the year continued yesterday to strengthen our international relations with the arrival of Hungarian Deputy Minister of Foreign Affairs Nagy Gabor.

Upon his arrival, the Ivory Coast's guest stated that his visit was an expression of Hungary's special attention and admiration for our country. "We consider the Ivory Coast as a model of development in Africa, given its economic results in particular, and we know that this country has always tried to preach better understanding between the countries of the world."

The Ivorian policy of openness has therefore just enjoyed another opportunity to improve Ivorian-Hungarian cooperation and explore new possibilities of developing it.

The Hungarian deputy minister was received by the Ivorian minister of defense, standing in for his Foreign Affairs colleague. There ensued a discussion with our guests of the Ivory Coast's foreign policy and, without a doubt, the problems of the continent. It should be noted that in his department, Gabor is an expert on Africa.

Yesterday afternoon was devoted by the Hungarian delegation to a working meeting at the Ministry of Foreign Affairs, at which session Ambassador Attoumbre reviewed the guiding principles of the Ivory Coast's foreign policy.

However, within the framework of this give and take, one must note that our relations with the socialist countries have been normalized rather late. Hungary is one of the countries with which we have little trade.

Whatever the case, we essentially export cacao and lumber to that brother nation worth some 3,368,000,000. Imports include canned vegetables, machinery, electrical appliances, electric meters, and so on. However, commercial relations show a surplus in the Ivory Coast's favor.

The Hungarian deputy minister also expressed his hope for a strengthening of relations in such fields as culture and education. Hungary is willing to provide a number of scholarships for Ivorian students. Other fields remain to be explored, naturally, but they must be the target of careful analysis.

Whatever the case, the Hungarian deputy minister's visit to the Ivorian minister of commerce this afternoon will cover sectors in which such trade has so far taken place and current possibilities of expanding it.

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TRADE WITH HUNGARY STUDIED

Abidjan FRATERNITE MATIN in French 26 Jan 87 p 6

[Article by Lebry Leon Francis: "Reviving Our Trade"]

[Excerpts] Arriving here on Thursday, the Hungarian deputy minister of foreign affairs concluded his working visit to our country with a meeting with Minister of Commerce Nicolas Kouandi Angba.

During their meeting, the two officials reviewed the nature of our trade relations and expressed their desire to revive those relations by diversifying them.

The Hungarian deputy minister of foreign affairs spent Friday morning in a working meeting at the Ministry of Commerce. On that occasion, a review of our commercial trade was completed. Both sides expressed the hope that relations will expand to other fields not yet exploited.

It should be noted that although the Ivory Coast and Hungary are linked by a commercial agreement dating from 1969, the partnership has remained on a very low level. Trade should be more continuous and revived, as firmly emphasized by Minister Nicolas Kouandi Angba. For that purpose, markets in both countries should be explored.

Beyond what we derive from economic cooperation with Hungary and essentially involving canned vegetables, machinery, electrical appliances, and so on, the Ivory Coast would be willing to study ways of receiving Hungarian logistical support with respect to buses, for example. Hungary is among the world's five leading producers of those vehicles and would like to penetrate the Ivorian market.

Along those same lines, the Hungarian delegation brought up the possibility of setting up an electronics plant on Ivorian soil.

On the whole, Hungary, which understands that its trade with the Ivory Coast has been obviously uneven, wishes to diversify and expand such trade. It is that above all political determination that the deputy minister wished to transmit to our authorities.

After concentrating its efforts on Europe, Hungary has recently turned to Africa, which is why, before arriving in Abidjan, Nagy Gabor had first visited the Congo, Zaire and Cameroon. But the Hungarian official pointed out that his country pays special attention to the Ivory Coast, whose overall development has had a definite impact on that Eastern nation. "This economic success in particular was made possible by your system of peace and political stability and we hope you will enjoy real progress in all fields," he emphasized.

The economy was the focal point of the Ivorian-Hungarian talks during the visit. Like other African countries, the Ivory Coast also receives 1 percent of Hungary's national revenue, devoted to assistance and aid to developing countries.

Hungarian authorities, aware of what the contributions of other nations can contribute to the strengthening of this economy, have decided to speed up and develop wide-ranging cooperation from which the Ivory Coast has so far benefited in spite of everything, inasmuch as its trade relations with Hungary show a surplus.

Following a highly-charged and busy working visit, our Hungarian friends left Abidjan on Saturday.

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CSO: 3419/97

BRIEFS

FRIENDSHIP PACT WITH EGYPT--Signed in Abidjan on 15 January 1985 between the Republic of the Ivory Coast and the Arab Republic of Egypt, the Treaty of Friendship and Cooperation went into effect on 21 January. Actually, acting on behalf of their respective countries, Gervais Attoungbre, director of political affairs in the Ministry of Foreign Affairs, representing the Ivorian Government, and Ahmadien Bahey El Dine Khalil, representing the Egyptian Government, proceeded to exchange the instruments of ratification of the treaty. The ceremony took place on Tuesday, 20 January 1987, at the Ministry of Foreign Affairs. As its name indicates, the treaty is the expression of the common will of the two governments to revive, consolidate and develop bonds of friendship, brotherhood and solidarity existing between the two countries. For them, it is a matter of combining their efforts in order to protect their mutual interests. The treaty creates an Ivorian-Egyptian joint commission responsible for implementing cooperation in the agricultural, commercial, cultural, scientific, technical and transport fields, as well as between the different institutions and between women's and youth movements in both countries. [Text] [Abidjan FRATERNITE MATIN in French 5 Feb 87 p 6] 11,464

TRADE WITH URUGUAY--"We have reviewed our trade possibilities, which are quite great. We are complementary countries in some fields because, given the difference in our climates (tropical and temperate), there is a natural current of products that can be traded." These were the words of Enrique Iglesias, Uruguayan minister of foreign affairs, spoken as he left the working meeting held on Saturday with Minister of Commerce Nicolas Kouandi Angba. A Latin American country, Uruguay maintains commercial relations with our country on a very low level, with the total value of such trade reaching under 400 million francs. Rough timber is the only product which the Ivory Coast exported to Uruguay in 1985 and 1986. The main product imported from Uruguay is meat and offal. The trade balance between the Ivory Coast and Uruguay shows a continuing deficit for the former, except in 1983, when our country enjoyed a surplus of 33 billion francs. For Iglesias, what is most important is the possibility of exploring our markets and increasing exports on both sides (livestock, fish, rough timber and industrial products for Uruguay; cacao, coffee, agrofood products, oils, rubber and textiles for the Ivory Coast), through better knowledge of both markets. [By Adama Diabate] [Excerpt] [Abidjan FRATERNITE MATIN in French 3 Feb 87 p 8] 11,464

CSO: 3419/97

EEC PORT MANAGEMENT ACCORD SIGNED

Monrovia NEW LIBERIAN in English 17 Feb 87 p 6

[Text]

An agreement for the improvement of management at the Free Port of Monrovia has been signed here between the Government of Liberia and the European Economic Community (EEC).

Under the \$1.9 million dollars agreement, a team of six experts, to be provided by a European Port Authority, will be assigned to the Monrovia Port for a period of three

years, to set the "framework for long-term Cooperation and efficient port operation."

A Planning Ministry release issued last Friday said; the amount would cover management fees, international travels and counterpart training in a European Port.

According to the release, Planning and Economic Affairs Minister Paul Jeffy signed for the Liberian Government.

/13046

CSO: 3400/244



## AGRICULTURAL MINISTER ON COMMITMENT TO WARDA

Monrovia NEW LIBERIAN in English 17 Feb 87 pp 1, 6

[Article by Joseph Teh]

[Text]

Liberia's Agriculture Minister Scott Toweh has assured the West African Rice Development Association, WARDA of Liberia's commitment to meeting the requirements for the continual operation of WARDA in Monrovia.

He said during a meeting yesterday with the chairman of the governing council of WARDA, the Senegalese Rural Development Minister, Mr. Faniara Ibrahim Sagna, that President Doe has approved recommendations submitted to him by the Agriculture Ministry to that effect.

Mr. Sagna who leaves the country today for home, held series of talks with senior administration officials yesterday on what Liberia, as a host country for WARDA, was doing to maintain its headquarters in the country.

Mr. Sagna told Agriculture Minister Toweh of other member states' desire to host the regional organization if Liberia is not in a position to maintain the headquarters in Monrovia.

The maintenance of WARDA headquarters in Liberia requires providing building to house the secretariat and other administrative staff, printing of special vehicle license plates for WARDA, and providing Immigration protection for their foreign staff.

The progress of these conditions have been steady. According to Agriculture Minister Toweh, negotiations are currently going on with the Liberian Bank for Development and Investment for an office space to be used as WARDA's headquarters.

He said if WARDA could submit their floor plan, they could move into their new offices within the next two to three weeks.

As regards the printing of car license plates, Minister Toweh disclosed that the General Services Agency is prepared at any time to print WARDA's plates, provided WARDA submits the number of vehicles they want to have supplied with such plates.

The relocation of WARDA headquarters which was previously located in the E.J. Roye Building on Ashmun Street, was the result of a fire that gutted the offices in April last year. They are temporarily being hosted at Fendall, outside Monrovia.

PRESIDENT DOE APPOINTS NEW MINISTERS, ENVOYS

Monrovia NEW LIBERIAN in English 20 Feb 87 p 1

[Text]

With the consent of the Senate, the President, Dr. Samuel Kan-  
yon Doe, has been  
pleased to make the  
following appointments  
in government.

An Executive Mansion  
release issued here  
yesterday said those  
appointed are: Jona-  
than A. Mason, Deputy  
Minister for Opera-  
tions, Ministry of  
Lands, Mines and Ener-  
gy; Mr. D. Alexander  
Buitendyke, Deputy  
Minister for Admini-  
stration, Ministry of  
Lands, Mines and Ener-  
gy; Mr. Matthew G.  
Zarzar, Assistant Mi-  
nister for Expenditure  
and Debt Management,  
Ministry of Finance  
and Dr. Elwood Grea-  
ves, Assistant Minis-

ter for Foreign Ser-  
vice Institute, Mini-  
stry of Foreign Af-  
fairs.

Others are: Mr.  
Harry Tarr-Freeman,  
Consul, Liberian Em-  
bassy in La Cote d'  
Ivoire; Mr. Edward  
Greenfield, County  
Attorney, Maryland  
County and Mr. Dahn  
V. Borh, Agricultural  
Counsellor, Liberian  
Embassy, Rome Italy.

In separate letters,  
Dr. Doe urged the ap-  
pointees to help crea-  
te an atmosphere that  
will improve conditions  
in our society. He also  
challenged them to  
undertake their res-  
pective assignment  
with "absolute commit-  
ment, honesty and de-  
dication."

/13046

CSO: 3400/243

PRESIDENT DOE ADDRESSES TROOPS ON ARMED FORCES DAY

Monrovia DAILY OBSERVER in English 12 Feb 87 pp 1, 6

[Article by Philip N. Wesseh]

[Text]

**President Samuel Kanyon Doe** has urged members of the Armed Forces of Liberia (AFL) to "abolish everything that bears semblance of hatred, disloyalty, harassment, dishonesty and indiscipline but continue to remain resolutely courageous as the nation's first line of defense.

This was contained in a message read on his behalf by Defense Minister Gray D. Allison yesterday at a program marking the 30th anniversary of Armed Forces Day at the Barclay Training Center (BTC) in Monrovia. Dr. Doe, who is Commander-In-Chief of the AFL, also attended the program. He was dressed in his full five-star General uniform.

The Liberian Leader reminded members of the AFL that in this changing world, they

should be alert, courageous and remain steadfast in the performance of their duties.

"You must never allow your rank and file to be infiltrated by those who would want to use you for selfish gains, thereby taking us several steps backward in our development efforts," he declared.

Dr. Doe pointed out that members of the AFL have a great responsibility to ensure that the sovereignty of the country is well protected from any and all forms of threats of aggression. He warned them against those things that would cause them to become sluggish and adversely affect the efficient execution of their duties.

"While observing this 30th anniversary of Armed Forces Day, it is appropriate to re-emphasize that the role of the military must be

directed at the maintenance of defense and security of the state", he said. He also urged them to continue giving their best talents and service in defense of the state and its people.

President Doe indicated that the military should continue to exemplify a high degree of discipline and honesty while performing their duties with brilliance and fortitude, and thereby, reflect credit to itself, the people and the country.

He expressed the hope that the Armed Forces of Liberia in the Second Republic would cultivate those virtues that would portray a more positive image for the military.

Dr. Doe used the occasion to pay tribute to those fallen courageous and gallant men and women of the AFL who paid the supreme price in the service of their country by giving their lives for its defense.

#### **Defense Minister**

Also in his message, Defense Minister Gray D. Allison informed members of the AFL that the survival of the nation lies in the hands of men and women in

arms, and therefore, they should strive to ensure that continuity of peace, tranquility and stability prevail in the country.

"As we enter a brand new year, let us start afresh in striving together to open new pages for our country. Let our best wishes be the concern and the future well-being of the government and people of this Great Republic...", said he.

He added: "As a grateful people under God's command, let us, at all times give thanks and praises to the Omnipotent God for his continued guidance and blessings and become committed to work together with all men of good will in structuring a better place for all of us to live together in peace, with justice, happiness, and with human dignity".

The occasion was highlighted by an elaborate parade throughout the major streets of Monrovia, and the laying of wreath on the tomb of the 18th President of Liberia, the late William V.S. Tubman by the Liberian Leader on the historic grounds of the Centennial Pavilion on Ashmun Street.

INDIAN ASSOCIATION ELECTS NEW OFFICERS

Monrovia DAILY OBSERVER in English 13 Feb 87 pp 1, 10

[Text]

**Mr. Hasso R. Aswani of T. Cholthram group, has been elected president of the Indian Association of Liberia (IAL). He had served as former first vice president of the IAL.**

The newly-elected president won his popularity after successfully chairing the committee set up for the renovation of North Beach Recreation Club, and as chairman of the newly-constructed Indian Community School at Mamba Point in Monrovia.

In brief remarks following his election, the IAL president, Aswani, praised the former president, Gurcharn S. Gill, and his colleagues for a job well done during their tenure of office.

Mr. Aswani called on all Indian nationals residing in Liberia to join the association and to put forward suggestions which will help to

boost the image of IAL and further strengthen the bilateral relations between Indians and Liberians.

Others elected to lead the IAL were: first vice president, Gul H. Mirchandani of Hirasons; second vice president, Raju M. Manik of Monibco; secretary-general, Shyam Sunder of New Indian Assurance; treasurer, K.V. Thomas of Associated Business Management; social secretary, Ahmed Siraj Khan of Ezzeddine and Kraus.

An eight-man managing committee was also elected. They are: Tulsi T. Kewelramani of Peekays; Kumar L. Chugani of Rivoli Cinema, Bharat L. Amarnaney of Allied Trading, Lakhi K. Balani of Kay-El Traders, Kirpal J. Chotwani of New York Fashions, Ashok Bharwani of Ekta, Arjan Rajwani of Watamal Group and Assan Rupani of Harrys.

/13046

CSO: 3400/245

## LIBERIA

### ECOM PREPARES FOR FIRST CHIEFTAINCY ELECTION

Monrovia DAILY STAR in English 13 Feb 87 pp 1, 7

[Text] A total of 1,078 seats have been declared vacant by the Elections Commission (ECOM) on Ashmun Street to be contested for by aspirants, and encumbant paramount, clan and general town chiefs throughout Liberia at the first chieftaincy elections slated for March 28, 1987.

ECOM Chairman, Mr. Isaac M. Randolph who disclosed this to DAILY STAR newspaper yesterday in Monrovia, said the chieftaincy elections would be the first of its kind in Liberia since the nation gained independence in 1847.

He noted that the time has come for all Liberians to participate and enjoy the "free and fair" democratic process.

/13046

CSO: 3400/244

1986 IRON ORE EXPORTS DETAILED

Monrovia DAILY STAR in English 10 Feb 87 pp 1, 7

[Text]

Over 13 million metric tons of iron ore was exported from Liberia in 1986 by the Bong Mining and the LAMCO J.V. Operating Companies.

The figure shows a reduction of over two million metric tons of iron ore exported from the country in 1985, the Ministry of Lands, Mines and Energy has said.

According to the 1986 annual report of the ministry, quoted by the Liberian News Agency (LINA), more than

15 million metric tons of iron ore was shipped from Liberia in 1985.

During the period under review, the LAMCO J.V. Operating Company shipped nearly seven million tons of iron ore to the United States, West Germany, France, Italy, Pakistan, Belgium, Japan, Spain and Turkey.

The Ministry also reported that the Bong Mining Company exported over six million tons of iron ore to West Germany and Italy in 1986.

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CSO: 3400/244

## LIBERIA

### BRIEFS

LEBANESE CULTURAL UNION SCHOLARSHIPS--Sixty students of various academic institutions in the country on Wednesday left the offices of the World Lebanese Cultural Union of Liberia on Benson Street, with their hearts filled with joy and happiness after formally receiving their scholarship awards....In a brief statement, the president of the union, Mr. Abbas Fawaz, referred to the gesture as one geared towards strengthening the bonds of friendship between Lebanon and Liberia. Also commenting was the secretary of the union, Mr. Jamil Rajez, who appealed to the students to consider education as the most important and valuable object in life, noting that it is possible to lose everything in life except education. [Excerpts] [Monrovia DAILY OBSERVER in English 13 Feb 87 p 3]

CSO: 3400/245



FRENCH AID TO HELP REHABILITATE INDUSTRY

Antananarivo MADAGASCAR MATIN in French 11 Feb 87 pp 1, 6

[Article by J.H.R.]

[Text] A total of 2 million French francs (nearly 244 million FMG [Malagasy francs]) is the amount of the package which the Aid and Cooperation Fund (FAC) granted to the Democratic Republic of Madagascar on Monday in order to help the latter in its proposed rehabilitation of SECREN [Naval Construction and Repair Company] (Antsiranana).

In other words, the promise of aid made by French Minister of Cooperation Aurillac 4 months ago when he visited the facilities of that international-scale socialist enterprise has been carried out with the granting of a substantial credit that will enable SECREN to continue its expansion efforts on a better footing. Those efforts began following years of crisis, during which the company was (nearly) paralyzed.

SECREN and OMNIS [National Military Office for Strategic Industries] executives officially received the aid, coming at a crucial moment and demonstrating the French Government's determination to respond to requests of the Malagasy Government in rehabilitating its industrial units, at a ceremony held 2 days ago at the OMNIS headquarters in Mangasoavina. It was attended by its general director, Capt Claude Ratsimandresy, the general director of SECREN, Comdr Ackram Mohajy, Mr Corbel, head of the French Cooperation Mission, and Bernard Sexe, FAC adviser.

Rehabilitation

Within the framework of SECREN's rehabilitation, [portion of text deleted?] lean years stimulated the energy of executives of the industrial unit, whose economic role in the northern region of the island and the entire country cannot be minimized. Despite all kinds of limitations, it has a more than respectable balance sheet last year, with a turnover at the end of the 1986 fiscal year of 2.9 billion FMG.

This balance sheet resulted in a revival of activity and renewed optimism for the future. This is all the more true because SECREN officials do not intend to rest on their laurels and will work to confirm the upward trend and to keep promises.

As it has been reported over and over in the media, SECREN recently celebrated its 12th birthday, but the "12" figure is deceptive for those not acquainted with its history. Actually, SECREN has behind it some 50 years of experience that have bestowed international fame upon it. Formerly known as DCAN [Naval Construction and Weapons Directorate], it took the name SECREN in February 1975, 1975, when it was decided to make it a socialist enterprise.

At the present time, SECREN employs about a thousand fairly skilled persons in its different departments. In addition to ship repair work, SECREN also provides other services made possible by its varied equipment, particularly machine maintenance and repair, the manufacture of spare parts, any wood or metal work and the handling of plastics.

With such varied activities, SECREN is becoming a major production unit, thus responding to the trust the nation has always placed in it. It can now rely on French cooperation, outstanding in its loyalty and sincerity.

11,464

CSO: 3419/101

EFFECTS OF IMPORT TAX DEBATED

Benefits Described

Antananarivo MADAGASCAR MATIN in French 3 Feb 87 pp 1, 6

[Article by Franck Raharison]

[Text] Following the veritable onslaught of local importers on the SILI (Liberalized Import System), an undeniable lift long awaited by many businessmen, it is believed that tenders for the month of February will enjoy the same success as those for January, whose total value was nearly double the foreign exchange available, with 7 million SDR (Special Drawing Rights).

In the months ahead, this quite legitimate craze of businessmen will have the merit of changing the country's economic picture somewhat. Import licenses thus issued will engender a still unknown effect in a precise domain, that of the consumption of goods and products that are imported or manufactured locally. Theoretically, on the basis of tenders made in January, it is anticipated that consumer goods worth over 2 billion FMG [Malagasy francs] will find themselves on the local market in the weeks ahead. In other words, the various shortages so frequent in recent years will gradually disappear. At the same time, the different production units enjoying monthly support of some 4.5 million SDR (slightly higher in American dollars) in spare parts and consumable expenditures will see their fate gradually improve. In sum, the fixed duty of 10 percent on each tender has scarcely discouraged businessmen; far from it, when one realizes that the total amount of tenders last month amounted to some 11 billion FMG.

The goal is now to see that Malagasy foreign trade is not in one direction only! Exports also deserve better treatment. In volume, they represented only 307,000 tons in 1985 (790,000 tons in 1970). In this connection, the institution of an export bonus that required the unblocking of a budget of 15 million FMG by the government should encourage all businessmen to double their efforts. Nor must administrative procedures be what they once were.

Let us note the frankness on the part of the Professional Group of Approved Customs Commissioners of Madagascar (CPAD), which said at the Foreign Trade Week in Tamatave last December: "Let us admit that the more complex the procedures are, the better for approved customs commissioners. Actually,"

it continued, "businessmen completely worn out by formalities connected with the operation no longer have the strength to get their own goods out of customs." These import and export complexities discourage entrepreneurs and dangerously weaken the national economy.

Regarding foreign trade, too much red tape often encourages some businessmen to "liquidate" all their products on the domestic market instead of exporting, meaning losses for the country. According to official documents, governments that have made their system more flexible have achieved savings of up to 70 percent on the cost of the paperwork (in the broadest sense of the word). For example, in 1974, the United States, which has fortunately simplified the different forms to be filled out for import-export operations, wasted \$8 billion on paperwork. Let us hope that Madagascar will choose the right path in order to make the circulation of import and export goods more fluid. A great effort remains to be made.

#### Small Importers Criticize Tax

Antananarivo MADAGASCAR MATIN in French 4 Feb 87 pp 1, 6

[Article by Franck Raharison]

[Text] Without question, the RIL (Liberalized Import System) continues to make waves in various associations or organizations of businessmen. In this connection, we have seen that the establishment of the fixed rate of 10 percent is not unanimously supported by the economic operators involved. One voice was finally raised yesterday to indicate to the press the reasons why few national importers spoke out at the time the RIL was launched in January. That voice belongs to the president of the Malagasy Merchants Union (SMpiMa), Alfred Raboanarijaona, who is also head of the Commerce Section of the Chamber of Commerce and Industry of Antananarivo and general director of SOMADITO. He is one of the Malagasy businessmen most active in Japan.

According to him, Malagasy businessmen, at least those who own PMI-PME [Small and Medium-Size Industries and Enterprises], are happy with the new import system, but fear that the measure will help those with enormous financial means, to be more precise, those with the possibility of paying cash for 10 percent of the total amount of the tender.

According to Raboanarijaona, it was decided, in the course of a meeting of businessmen held toward the end of December 1986 at the Chamber of Commerce and Industry of Antananarivo, to send a letter to the proper authorities asking for elimination or a reduction of the fixed duty. In addition, the majority of the national participants in this assembly of businessmen agreed not to subscribe to the RIL before obtaining a response to the demand sent to the ministries in question. However, some Malagasy importers broke away from that action and movement, a movement that is in no way reprehensible and whose only purpose is to defend the legitimate interests of the "small" local importers, Raboanarijaona told us in substance. "The most surprising thing," he continued, "is that it was those who had demonstrated a certain enthusiasm

for the elimination of the 10 percent who were the first to participate in the January 1987 tender."

Given this lack of cohesion, the every-man-for-himself attitude, Raboanarijaona said, national businessmen in question have decided, for the month of February, to import through the RIL, while waiting for their motion sent to the authorities concerning the 10-percent fixed rate to receive a favorable response. Consequently, the some 150 professional Malagasy importers counted will be present in the next RIL tenders.

In addition, the president of the SMpiMa is worried about the government's failure to pay sums deposited by importers in the past 2 or 3 years under the SGS (1.4 percent of the tender value), while the importers have not enjoyed the slightest import quota during that period. Another concern of Raboanarijaona is that the profession of importer in Madagascar might gradually slip away from nationals because of the charges, taxes and duties they now have to pay.

11,464

CSO: 3419/101

COMMENTARY ON PRESIDENT'S SPEECH

Antananarivo MADAGASCAR MATIN in French 15 Jan 87 pp 1, 6

[Article by Arsene Ralaimihoatra: "How About Everyone Finally Playing the Game?"]

[Text] The chief of state's (great) annual message to the nation was, as it always is, an event. The presidential speech delivered Monday morning, as part of the ceremony for the presentation of greetings, has since been diversely commented upon. It was an address long awaited, if ever there was one, dictated by the current circumstances, not the brightest, one has to admit. At any rate, it was an ideal opportunity to size up the situation.

It was a shrewdly moderate address in which the president, faithful to himself, tried once again to wager on the future: food self-sufficiency by 1990, the "socialist paradise" being a more distant objective. But in order for the latter to be achieved, the entire country has to be in on it!

That was the main lesson to be derived from the presidential message. But -- and this is what one fervently hoped to hear Monday from the mouth of President Didier Ratsiraka -- the rules of play are not as well obeyed as one might imagine.

Regarding the need to maintain our relations with the IMF, the World Bank and other organizations or countries that are financial backers, the demonstration presented by the chief of state could not have been clearer or more concise. On the other hand, one also had the right to expect the president to shout "Foul!" with regard to all the destroyers, the awkward customers, who are not necessarily political adversaries but rather, persons without a conscience and with no respect for the law who take advantage of the situation to get rich illegally, create shortages and use the "risoriso" or black market. Sometimes, fallacious arguments take them very far. Therefore, once more, as the president said Monday, the current sugar shortage is the work of saboteurs. Good people will one day finally tire of being taken in once too often!

Regarding loans, we must not disappoint the trust of international backers, making deliberate use of their credits and establishing a real development policy, with all that entails in the way of good, sound management of national affairs.

The set of ten new measures announced by the chief of state, while it did give rise to some enthusiasm, nevertheless leads one -- 72 hours later -- to fear a sudden price spiral. Already, it is feared that the 10-percent wage hike, the announcement of an imminent increase in the price of fuel, will ipso facto create galloping inflation. However timely and realistic they may be, these new measures, in the absence of careful vigilance, would open the doors to all kinds of abuses. At the same time, a resulting domino effect in the cost of living would penalize the pockets of low-income families.

This presidential speech requires a collective awareness. Its main merit will be to have been rational and concise. At times, the chief of state was guilty of omissions, but he can be forgiven. To speak of a liberalization of the economy because upper-level personnel in national enterprises were a bit too anxious to receive an extra month's bonus is not enough. There is also the incompetence of some of their officials and aides, the fishiness of some and the laxity of others.

The time of long evasiveness is past, to say nothing of pious wishes with no future. To use a famous expression that has certainly seen its day, but is no less pertinent: "Acta non verba!"

11,464

CSO: 3419/102

GOVERNMENT GRANT PROVIDES HOPE FOR EDUCATED UNEMPLOYED

Antananarivo MADAGASCAR MATIN in French 17 Jan 87 pp 1, 6

[Article by Adelson Razafy]

[Text] The large number of students enrolled in our universities has quite naturally resulted in an increase in the number of those with university degrees. While they once enjoyed easy access to jobs, the current situation no longer affords them such security. In fact, the limitations imposed by balancing the government's budget and the nature of contracts we have made with international finance organizations have considerably reduced possibilities of hiring by the government, the main provider of jobs. Victim of the economic recession, the private sector now finds itself in the same boat, meaning that the atrophied, anemic labor market metes out jobs as if from an eyedropper.

Caught in the impasse, our university graduates have been forced into the ranks of the unemployed, a painful situation if there ever was one, for these intellectuals, in whom we had placed so much hope, are reduced to live off their families. Their already difficult condition is worsened by despair, caused by an economically stagnant situation that hints of nothing better on the job market. We do not always realize what is happening because our peaceful daily existence conceals many problems: the swelling of the ranks of unemployed, especially those with degrees, the precariousness of their living conditions and the despair into which they are plunged, all creating an eminently explosive situation. We recently witnessed the formation of an association of unemployed university graduates whose members expressed their anger from the very opening meeting.

Creation

In this context, marked by vague tension, the recent statement by President Didier Ratsiraka concerning a project to grant financial assistance to unemployed university graduates in the creation of cooperatives, PME or PMI [small and medium-size enterprises and industries], was welcomed by those concerned with relief, hope and enthusiasm.



For intellectuals without jobs, in fact, the proposal gives a glimpse of new prospects and promises a less gloomy future. If the measure is applied, it will respond to their expectations perfectly. Actually, unemployed graduates who, in their job search have been rejected everywhere, have come to dream of an independent job in which they could give the measure of their worth. They have ideas, the technical knowledge and good will needed to succeed. Unfortunately, they lack the funds to start their project, that sinew essential to the success of any enterprise. Evoking the promise of a government subsidy for them, the president rubbed salve on the hearts of many of our unemployed intellectuals.

It is a praiseworthy idea, this complementariness of technical knowledge of individuals and government funds, for the effect can only be beneficial to the nation's economy and social situation. The government, in fact, cannot be responsible for all domains involved in economic development. By giving unemployed graduates the possibility of occupying sectors useful to promotion of the economy, it creates a fabric of enterprises and cooperatives that will generate goods and therefore, prosperity. Graduates of the polytechnical universities will go together in small units manufacturing soap, oil or sugar. Students graduating from the technical high schools will be responsible for operating foundries, cabinet making or construction. Those in agriculture will set up ranches or rice plantations.

Obviously, these activities, beyond the fact that they bring in resources and therefore, jobs for our unemployed, will also constitute a very consistent contribution to our national economy. Rather than plunging into the creation of isolated units, without any real connection with the economic environment, our students, who have all the competence to do so, will found interdependent vertical chains that are economically more viable and more judicious. For example, those in agriculture will develop a peanut-growing area, while those from the polytechnical schools will operate small oil extracting or refining units. Those who graduated in management will operate cooperatives or edible oil marketing and distribution centers.

When the government takes up the task of distributing subsidies (or credits?), those who handle the directly productive sectors will certainly be privileged for obvious reasons. Will liberal arts graduates and those going into the liberal professions (the most numerous among the unemployed) be excluded from governmental favors? For the time being, nothing would indicate this, although their activities manifestly have no priority elements in the national effort of economic promotion. Actually, to give the nation this salutary momentum toward recovery, it is important for the effort to absorb unemployment and toward economic rehabilitation be extended to all sectors of public life.

Subsidies would enable liberal arts and scientific graduates to open educational establishments that would be useful to the current effort to improve the system of education. Medical students would have the possibility of setting up private clinics needed to promote public health, while those graduating in economics and management could open accounting, auditing and consulting firms. The credits released would certainly not cover all these

apparently disparate activities, whose effects would nevertheless contribute to the nation's well-being and prosperity. Whatever the case, it is fitting, in the distribution of allocations, not to create bitterness and jealousies. Development of all sectors of national life can only bring general prosperity, which will itself generate jobs.

11,464

CSO: 3419/102

FARMERS UNION WANTS COMPLIANCE WITH RULES

Antananarivo MADAGASCAR MATIN in French 4 Feb 87 pp 1, 6

[Article by R.J.A.]

[Text] Following its recent meeting in Sambava, the Federation of Farmers Trade Unions, the CTMC and the FMM [Malagasy Workers Federation]/SAPEVA of Sambava, recalled the words spoken by President Didier Ratsiraka at an interview he granted to LE FIGARO in September 1982: "Henceforth, I want neither a monopoly nor uncontrolled liberalism. We need the temper of the private sector and the power of a national company."

At the same time, the Federation supports the statement made by the president of the FIV-MPA-MA and published in the monthly information bulletin of that group of private businessmen in May 1986, according to which "if we want to be protected and see the application of orders and laws in our favor, then in exchange, we shall have to exercise responsibility by scrupulous respect for the truth and existing legislation, avoiding the 'risoriso' or black market, while using sound management in our respective enterprises. In this way, we shall be able to win the trust of the Fanjakana and that of international financial backers."

Therefore, in order to avoid "uncontrolled liberalism," producers belonging to the Federation of Farmers Trade Unions of Sambava believe that we must strengthen and apply the provisions of Order 65-046 of 10 February 1965, particularly those of Articles 6, 8, 9, 12 and 13, which require that "any person requesting approval as a collector must meet the following conditions so as to be able to keep records, accounting documents and control of the movement of purchases and sales of products and properly keep all administrative or accounting documents that might be demanded: know how to read, write and speak Malagasy or French or, if not, be able to be represented by an employee who is not a minor and who meets these conditions."

Article 8 stipulates (in application of the new Article 24 of Order 60-129) that a collector is forbidden from buying a standing crop or any equivalent practice or from marketing a stored product before the opening date set for the season (...). As for Article 9, it states that "any purchase from the producer must be made using a bare scales and paid for in cash. On this

occasion, the collector must issue a receipt showing his name, address and statistical identification number taken from a paginated booklet, keeping the stub (...)."

In short, it is more than explicit in this statement by the Federation of Farmers Trade Unions that the essential thing consists of obeying and applying existing laws, in the general interest, in other words, in order that there be "neither a monopoly nor uncontrolled liberalism." It should be noted that the Federation has over 10,000 families of producers scattered over the fivondronana [unions of village associations] of Antalaha, Sambava, Andapa, Vohemar and Maroantsetra.

11,464

CSO: 3419/101

## MEASURES TO CONTROL INFLATION TERMED INEFFECTIVE

Antananarivo MADAGASCAR MATIN in French 17 Jan 87 pp 1, 3

[Article by Adelson Razafy]

[Text] Commanding, the market price lists are conspicuously posted over all the shops, stalls and markets in Tananarive, a living reproach addressed to all the merchants who would dare to raise their prices too much. Just before the New Year festivities, in fact, the fivondronana [union of village associations] of Antananarivo-Renivohitra published an order establishing the costs of goods and merchandise for sale at the municipal markets, as much to prevent the price spiral occurring during such periods as to regulate outside trade, far too anarchistic, once and for all. In order to give maximum publicity to this list of common prices, the fivondronana had wisely decided to post them at the very sites where they risked being violated, which has brought us these spanking new signs, a real innovation at the market places.

The intention is good and the measure is a step toward protecting the consumer. However, its application is most difficult and consequently, the message of these fine signs planted in the middle of the markets may well remain a dead letter. There is indeed a Market Control Department, as well as a Joint Economic Intervention Squad (BMIE), whose effective sorties sow terror among black market sugar, flour or oil merchants, whose prices are obviously unlawfully high. However, their intervention is not always crowned with success, as one can see in the case of poultry vendors or green grocers, who generally do not post their prices and who can therefore charge exaggerated sums, while having the possibility of going back to the official prices as soon as they get wind of a member of the Control Department. Just before Christmas, at the time of peak crowds in Analakely, farmers offered turkeys for 12,000 francs, while not far away, the price list gave the top quote as 10,000 francs. Publication of the official list should have been matched by the requirement to post prices, in order to be more effective.

Kapoaka

In addition, certain units of measure mentioned on the price list are sufficiently evasive to allow any practice detrimental to the customer. For example, the "bunch" (from 550 to 850 francs for asparagus, for example) or the "pile" (from 200 to 300 francs for cucumbers) does not correspond to any precise

quantity. This vagueness enables dishonest vendors to violate official prices in an oblique manner. Where units are stated and determined precisely, as in the case of the kilogram or the "kapoaka" (contents of a condensed milk can), strict control must be exercised because in using Roman scales whose graduated arm has been filed down or the kapoaka with the fake bottom or whose diameter has been deliberately reduced, dishonest merchants create a sly means of getting around official prices.

Given the thousand and one tricks used by many of our vendors to illegally inflate profits, officials will have their jobs cut out for them in ensuring respect for price lists. At any rate, at the market as elsewhere in the field of commerce, prices are determined more by the law of supply and demand than by well-intentioned bureaucrats. Despite the price list, no policeman could force a merchant to sell at a loss a product whose cost price, due to the scarcity, has risen above the ceiling price. Inversely, during a period of abundance for a given product, the list could not oppose the market mechanism which irresistibly takes the cost below the minimum.

Carefully studied and meticulously drafted, the official price list can only give an indication of what is considered reasonable and must be obeyed. However, in order to eliminate the many abuses that prevail at our markets, we must create the necessary conditions encouraging our peasants to produce more and in abundance. The laws of the market would then dictate the most suitable prices, better than any official price list could do.

11,464

CSO: 3419/102

## BRIEFS

DPRK RECEPTION--Late in the morning on New Year's Day, Djeung Thai Hwa, ambassador of the Democratic People's Republic of Korea, invited members of the press in the capital to a showing of a film documentary, followed by a luncheon in Ambohibao featuring typical Korean dishes. Djeung Thai Hwa took advantage of the opportunity to express his wishes for happiness and prosperity to Malagasy newsmen. He also hailed past action of the Malagasy press and the Democratic Republic of Madagascar for the "free and independent reunification of the two Koreas, action which the DPRK, under the leadership of Kim Il-song, has greatly appreciated." He referred to the "marvelous" relations existing between the Malagasy and Korean peoples, who have always helped one another in their march toward the victory of their common cause, to wit, the fight for socialism, the reunification of the two Koreas and the establishment of peace in the world. [Excerpt] [Antananarivo MADAGASCAR MATIN in French 15 Jan 87 p 6] 11,464

EDF FINANCING FOR AGRICULTURE--Within the framework of implementation of the Sixth EDF, that European institution has just approved the first project proposed by the Democratic Republic of Madagascar. It will finance the Mini-projects for Action Outside of High Density Sectors, as well as supervisory costs, or 55 percent of the total scheduled for such miniprojects. Financing therefore involves a sum of 3.63 billion ECU [European currency unit] (about 3 billion FMG [Malagasy francs]) in nonrepayable subsidies. In addition, a proposal will be drawn up in the months ahead to finance miniprojects in high density areas. It will involve a sum of 2.97 billion ECU (about 2.25 billion FMG). Consequently, the total EDF commitment for the miniprojects comes to 6.6 million ECU (about 5.25 million FMG). It should be noted that action outside the areas of concentration to receive financing cover the following fields: rehabilitation of farm access roads or trails; development of production (storage, development of fields, and so on); rural water and electrification projects; and the social infrastructure (SFF, SAFF, health stations). [Text] [Antananarivo MADAGASCAR MATIN in French 15 Jan 87 pp 1, 6] 11,464

DOCK WORKERS END STRIKE--Dock workers at the Port of Toamasina, on strike since 29 December, have gone back to work, thus relieving a situation that in the long run could have hurt the entire island's source of supplies. Negotiations underway for several days between the General Port Administration and the strikers, which required mediation by Prime Minister Desire Rakotoarijaona and Minister Bedo Joseph (MTMT), have therefore led to solutions that

are acceptable to both sides. The dock workers' demands concerned the granting of a so-called "13th month." In its place, they will receive a special year-end bonus to help them, at least for the time being, meet the increase in the cost of living. The amount of the bonus varies depending on the individual and their wage classification. In addition, the General Port Administration has decided to increase wages starting in July. Once again, it has been shown that only rational dialogue can unlock the most inextricable situations and solve the thorniest problems. Concerning this dock workers' strike in Toamasina, however, a certain concern continues. Actually, the solution of the bonus is totally provisional and consequently, the same problem may arise again toward the end of the year. A good 12 months remain during which a final solution can be found, one that will remove the apprehension of shipowners, who for a number of years have hesitated to send their fleet to dock in Toamasina in December and January. To find that solution, the necessary time must be taken. At any rate, the board of directors of the Autonomous Port of Toamasina, at its first meeting of the year, in addition to other matters, has so far spoken only of increasing the port's budget. [By P.M. and J.H.R.] [Antananarivo MADAGASCAR MATIN in French 19 Jan 87 pp 1, 6] 11,464

CSO: 3419/102



## BRIEFS

1986 TOURIST STATISTICS--Paris (AFP/ANTA)--In 1986, Mauritius welcomed 156,000 foreign tourists, beating the record set in 1985 (148,860), Cyril Vadamootoo, director of the Mauritian Office of Tourism, announced in Paris on Tuesday. The increase (4.7 percent) should continue in 1987, Vadamootoo says, due to the organization starting in September of the first International Festival of the Sea in Port Louis. The event, involving 22 countries and all sectors and all disciplines relating to the sea, will feature the arrival of sailboats, repeating the historic Portsmouth-Perth (Great Britain-Australia) voyage. There will also be sports events and a scientific colloquium. Another reason for Vadamootoo's optimism is the drop in air fares. The main French promoter of trips to Mauritius, the MVM, has announced a 12-percent reduction in rates for next summer compared with the last season. France became the main source of tourists visiting Mauritius in 1985 (35,630 for Reunion and 27,410 for the capital), with South Africa (27,410) in second place. Mauritius has a "good-will ambassadress" in France in the person of Princess Stephanie of Monaco. [Text] [Antananarivo MADAGASCAR MATIN in French 5 Feb 87 p 2] 11,464

CSO: 3419/101

## NIGER

### EDF IRRIGATION PROJECT IN NIGER

Niamey LE SAHEL in French 10 Feb 87 p 2

[Article: "EDF Delegation Visits Niger"]

[Text] A European Economic Community (EEC) delegation, which included Smida, chief of the Sahel section, and Peretti, head of the mission for Niger, has just completed a 1-week visit in our country. The purpose of the meeting was to have talks with Algerian authorities (the ministers of Agriculture, Trusteeship, Health, Public Works and Living Conditions, Mines and Energy, Trade, Industry, Transportation, and Planning).

The talks had to do in particular with implementation of the VI EDF (European Development Fund), which includes three broad sectors: irrigation of surrounding areas, small scale irrigation by means of wells and drillings, and maintenance of roads.

In the case of the latter sector, financing (in the amount of 15 million) is available and operations will start before the end of the year. The same is true for small scale irrigation. The recent talks have made it possible to "wrap up" the financial account (21.5 million); work will begin during the first half of this year.

Finally, with respect to the first sector, which is the most considerable financial part of the VI EDF (60 million), there are on-going negotiations to render viable the already existing perimeters and to consider the establishment of new outlying areas. There is an interministerial committee to conduct discussions that include other associated sources of financing and to bring about a solution.

Niger, a Sahelian country, will also benefit from a regional program to fight against allowing land to become barren. It will be carried out through the training of teachers and students for the protection of their environment. The program then foresees the protection of reservoir banks, the promotion of substitute energy through the use of firewood, improved combustion techniques, and the introduction of complete exploitation of all methods by using renewable means of energy.

The EDF also intends to launch an assistance project for garden produce in AIR. It concerns a program that will take about 2 years, which was agreed on in 1983, and which aims at restoring or sinking 750 wells; the purchase of depleted animals, and trading and training. Materials are supplied by Denmark and the EDF agrees to financing in the amount of about 750 million f for the realization of this project, which affects about 8,000 persons and which the delegation was desirous of visiting.

8255

CSO: 3419/99

NIGER

ITALIAN AID FOR WELLS IN NIGER

Niamey LE SAHEL in French 9 Feb 87 p 2

[Article by Sido Yacouba: "An Italian Delegation Inspects Wells"]

[Text] An Italian delegation, headed by the executive secretary of the Italian Assistance Fund, left Tahoua yesterday for Zinder after a 24-hour visit. This visit made it possible for the delegation to visit, together with the prefect of Tahoua, several projects realized through the Italian Assistance Fund, in particular some wells in the Konni and Illela districts. Of the 50 wells initially provided for by the first stage of the Fund, 45 have already been realized. The Italian Assistance Fund project began its activities in March 1986 and expects to realize a total of 500 drillings in the department of Tahoua. This operation will affect more than 500 villages.

The second phase of the project will concern the districts of Keita, Tahoua, and Illela, where it is anticipated that 540 drillings will be made and that engineers will be trained to maintain equipment.

The delegation also visited the new maternity hospital of Tahoua, which is in the process of being completed. Financed with more than 120 million by the Regional Development Fund, this maternity hospital has a 50-bed capacity and is equipped with a laboratory and three departments (surgery, administrative, and medical). Its equipment will be assured by the Italian Assistance Fund, which in addition will provide for sending a doctor.

8255

CSO: 3419/99

NIAMEY SOLUTION TO INFLATION URGED

Niamey LE SAHEL in French 17 Feb 87 p 1

[Article by Adamou Garba: "The Spirit of Resourcefulness"]

[Text] Niamey, an agglomeration in the process of full expansion, is experiencing the same problems, due allowances being made, as those of big capitals, both African and European. The problems of housing and transportation, among others, are those that are encountered daily by its workers.

If one adds to the difficult economic situation standstill salaries and an ever-increasing high cost of living, one can then understand that the problem is one of survival for these workers.

And since there are no secrets when it comes to economics, how can one explain that with an average monthly income of 50,000 f (CFA) one can provide for the essential needs of a family in Niamey? There is no rational explanation for the situation. At the very most, we have recourse to other means of analysis which completely escape economic logic that requires one to spend what one earns.

As a consequence, all reasoning becomes almost impossible when it is known that civil servants may not engage in other profitable activities. And even if doing agricultural work is still permitted, even encouraged, during the rainy season, it is not very easy for a certain category of workers to participate in this activity. The reasons are simple. The distance of cultivated areas and the lack of material and financial means remain definite handicaps.

Actually, Niamey is in the process of becoming the size of a real city, one that makes it impossible for its inhabitants to live solely from their income.

Purchasing power depreciates constantly, rendering a livelihood still more difficult. That is why it is now worth giving completely objective consideration to the matter, in order to find a solution that is suitable for all...

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CSO: 3419/99

## NIGER

### BRIEFS

**FRENCH WATER PROJECT COOPERATION**--The prefect of Agadez, Lieutenant Colonel Bagnou Beido, met last Friday with a French delegation, headed by the vice president of the Ile de France Water Union, Chambon Christian, to discuss cooperation between Niger and France in the matter of supplying drinking water for the surrounding districts of the city of Agadez. The representatives of the Ile de France Water Union are on a visit to Agadez to ascertain the technical and financial means needed to implement a water supply project in the district of Dagmanett (Agadez). "This type of cooperation falls within the framework of the development of North-South solidarity, beginning with local undertakings aiming at strengthening human, social, economic, and cultural ties," said the prefect of Agadez. [Text] [Niamey LE SAHEL in French 10 Feb 87 p 2] 8255

**RUSSIAN AID NOTED**--The Embassy of the Soviet Union held a reception Thursday evening to celebrate its 15 years of diplomatic relations with Niger. As a result of this cooperation, 200 Nigerian specialists have been trained in Moscow and in other Soviet cities and many Nigerians are now being educated in the Soviet Union. Public health, culture, and sports are other fields of cooperation between our two countries. [Text] [Niamey LE SAHEL in French 19 Feb 87 p 3] 8255

CSO: 3419/99

GDR LOAN, EQUIPMENT FOR RURAL DEVELOPMENT

Kano SUNDAY TRIUMPH in English 15 Feb 87 p 1

[Article by Leke Salau]

[Text] **NIGERIA'S**  
Economic Structural Adjustment Programme (SAP) is to receive a boost of N600 million (about 200 million U.S. dollars) from the German Democratic Republic (GDR).

The loan regarded in diplomatic circles as the largest from an East European nation in recent times is to lay emphasis on integrated rural development projects.

Investigations at the Federal Ministry of Finance in Lagos during the week revealed that N60 million of the loan would be handled by the Nigerian Industrial Development Bank (NIDB).

The bank will in turn disburse the loan to small-scale industrialists, particularly those that are agro-allied based in the rural areas.

Agricultural equipment such as grain production machines, tomato processing machines and storage materials manufactured in the GDR will also form part of the loan package.

It is not stated when the final draft will be signed, but sources at the Ministry of Finance said not later than the middle of next month.

Further enquiries at the ministry revealed that federal government officials made up of experts from agriculture, finance and national planning ministries have shuttled between Lagos and East Berlin twice this year, to conclude the agreement.

Another high-powered government delegation likely to be led by the Minister of Finance, Dr. Chu Okongwu, is to leave Lagos for the GDR

by the end of this month for the final talks and possible signing of the loan agreement.

At the GDR Embassy in Lagos, a highly-placed official who preferred anonymity confirmed in a telephone interview that the loan agreement had reached an advanced stage and that both parties would soon have a round table conference in the GDR for the final agreement.

The official was optimistic that the loan, if properly utilised would boost rural development in Nigeria.

Asked if the GDR would ensure that loan was properly used, he said although no GDR officials would be sent here purposely because of the loan, the issue of adhering to the terms of the agreement would be taken care of in the draft.

CSO: 3400/234

# BABANGIDA ON SIDE EFFECTS OF AUSTERITY MEASURES

Kaduna NEW NIGERIAN in English 16 Feb 87 pp 1, 3

[Text]

**PRESIDENT Ibrahim Babangida** has said that the austerity measures introduced by past administrations in an attempt to revamp the economy had some damaging side-effects on the speedy recovery of the economy.

President Babangida stated this in an address read on his behalf by the Inspector-General of Police, Alhaji Muhammadu Gambo, at the launching of a book titled "The Nigerian Economy: Anatomy of a traumatised economy with some proposals for stabilisation," written by the Minister of Finance, Dr. Chu Okongwu, at the weekend in Lagos.

He said some of the side-effects were the aggravation of under-utilisation of industrial capacity, unemployment, inflation, decline in the output of goods and services and increase in the external debt burden.

President Babangida noted that a review of the past policies showed that there were a number of pitfalls or "missing links" such as stringent bureaucratic and trade controls while the other was the lack of a realistic exchange rate policy with consequent over-valuation of the Naira.

The President said the regime of bureaucratic controls and over-valued Naira had a number of adverse consequences for the economy, adding that most serious of which were mis-allocation of scarce resources, trade and foreign exchange

malpractices, corruption and loss of adequate control by government in macro-economic management.

He said it was because of these impediments to speedy improvement in the economy that led to his administration's adoption of a radical economic policy reform devoid of rigid controls, adding that the reforms provided the background to the launching of the structural adjustment programme (SAP) lasting from July 1986 to June 1988.

President Babangida said SAP was intended to restructure and diversify production patterns, minimise dependence on the oil sector and imports and launch the economy on the path of sustained growth.

He said the core of SAP was the second-tier Foreign Exchange Market (SFEM) whose main objectives were the achievement of a realistic exchange rate, more efficient resource allocation, stimulation of domestic based production and promotion of capital inflow.

The President said the impact of SFEM so far, has been significantly favourable in terms of more efficient resource allocation, export boost, enhancement of the incomes of farmers, the fostering of more rational conduct and quest for efficiency and, most important, the improvement in government revenue at the federal and state levels.

President Babangida said consideration would be given to the

suggestions on how the economy could be revamped, some of which were the creation of "plan stabilisation fund," and "pure reserve fund," as a set of regulators for public sector investment and enhancing the resource base of the economy.

He praised Dr. Okongwu for writing the book and therefore recommended it to policy makers, workers, public servants, members of the armed forces, academics, students, businessmen other professionals and the general reader.

The Inspector-General of Police purchased 1,750 Naira worth of the book for distribution to service chiefs.

In his address, the author, Dr. Chu Okongwu described his book as "a work of love for one's own country, a work of concern that this potentially rich and great country should find her feet economically and embark on a time-optimal stable adjustment process, so that its proportion of mankind should contribute its valid quota to mankind's progress."

The finance minister said the first quarter of the book was written before the advent of military take over of government on December 1983.



MINISTRY OFFICIALS TAKE OATH OF SECRECY TO STOP LEAKS

Kaduna NEW NIGERIAN in English 3 Feb 87 p 16

[Article by Omafume Amurun]

[Text]

**SENIOR and junior employees of the Ministry of Transport and Aviation, last weekend were sworn to secrecy in a move by the federal government to stop leakage of classified documents.**

The Permanent Secretary, Ministry of Transport and Aviation warned in a statement signed by F.O. Ojiah that serious disciplinary action would be taken against those who did not take the oath of secrecy.

Senior civil servants took the warning to mean dismissal from service.

Already copies of the 1962 Official Secrets Act are now on display in federal ministries following reports of pilferage of official documents.

The Official Secrets Act of 1962 stipulated that it was an offence for an officer to transmit any classified matter to a person to whom he is not authorised on behalf of government to transmit it.

An inter-ministerial committee appointed to probe leakage of classified matter made up of representatives from cabinet office, Federal Ministry of Works and Housing, and the State House recently submitted its report to the head of service.

The committee identified major security lapses caused by poor control of visitors' vehicles, poor lighting of office premises, inadequate perimeter fencing, proliferation of photocopy machines and lack of control.

Others were transmission of secret documents without security boxes, littering of files, failure to administer oath of secrecy and poor maintenance of relevant records.

/13046

CSO: 3400/238

MUSLIMS SAID TO DEMAND MORE MEMBERS IN LAGOS CABINET

Enugu DAILY STAR in English 5 Feb 87 p 1

[Article by Jonathan Emereole]

[Text]

**L**AGOS State governor, Navy Captain Mike Akhigbe, was stunned on Tuesday when a three-man delegation of the Moslem Council of Nigeria (MCN) stormed his office and asked him to reconsider the composition of his 51-day-old cabinet.

The spokesman of the delegation, Alhaji Abdul Latiff Masha, whose son, Dr Rauph Masha, holds the finance portfolio, claimed that Governor Akhigbe's cabinet was dominated by christians.

Alhaji Masha also claimed that the governor's cabinet was first to be so dominated by christians in the last 16 years.

He remarked that the Moslem community in Lagos had expressed worry that only three of Akhigbe's cabinet members who were sworn in last November 13, were moslems.

He appealed to the governor to re-consider "the composition of your cabinet and adequately increase moslem representation".

Replying, Governor Akhigbe said that he never gave thought to one's religious inclination when choosing members of his cabinet.

The criteria, he said, were the individual's field of specialisation, knowledge of Lagos problems, experienced in both public and private sector, fair local government partisan politics interest.

He expressed surprise at the way people were taking religion to the extreme.

According to Navy Captain Akhigbe, neither Jesus Christ nor Mohammed was born in Nigeria. He said both preached one principle of service to one another, adding: "This is the essence of religion".

He addressed the moslem leaders to do everything possible to ensure religious tolerance.

Also on Tuesday, the Anglican Bishop of Lagos, the Rt. Rev Abiodun Adetiloye, paid a courtesy call on Governor Akhigbe.

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CSO: 3400/235

MINISTRIES, DEPARTMENTS ORDERED TO SET UP TRAINING PROGRAM

Lagos DAILY TIMES in English 9 Feb 87 p 24

[Article by Chris Obinagwan]

[Text]

**A**LL ministries and extra-ministerial departments have been directed to set up training committees to increase the efficiency and effectiveness of workers.

This directive was contained in a circular issued in Lagos by the Permanent Secretary, Service Welfare and Manpower Department, Alhaji Z.M. Kazaure.

According to the circular, each committee when set up, should have, the secretary for finance and administration or the Director of a professional department as its chairman, while the departmental Training officer would serve as the secretary.

It further directed, that representatives on the committee must be officers on salaries not below grade level 14.

The committees are expected to develop and harness the potentials of officers fully, and prepare them for higher responsibilities to make maximum contributions to current and future operations of their organisations.

The committees will submit to the service welfare and manpower development department, not later than September 30 of every year a programme of training, for the succeeding year.

The memo directed organisers of such training courses to issue the officials with both certificates of merit and attendance.

All course organisers were also to issue individual reports on each participating civil servant who should in turn write a report.

It stressed that the "Confidential Annual Performance Evaluation Reports", (CAPER) should from now on reflect the evaluation of officer's performance after a course he or she had attended during the period covered by the report.

The circular cautioned against redeploying officers who underwent training for the performance of particular jobs to other jobs until a reasonable period of time.

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CSO: 3400/239

CONTROVERSY OVER CONTINGENT REVENUE ALLOCATION

Lagos BUSINESS TIMES in English 16 Feb 87 p 1

[Article by Roseline Umesi]

[Text]

A TOTAL of N2.460 billion has been realised by the Federal Government as contingent revenue.

According to the breakdown, N1.7 billion was realised in respect of counter-trade while N760 million was realised from draw down trade policy last year.

The former director of budget and a permanent secretary in the Ministry of Finance, Chief O.A. Kuye told the Business Times in an interview that contingent revenue is not a regular source of revenue but rather an urgent source of revenue for the government to run its administration when the need arises as was provided by the constitution.

The 1987 Budget made a contingent revenue estimate of N4.514 billion. This provision of N4.514 billion has been causing a lot of controversy on whether it should be added to the N17.861 billion of the 1987 Budget which will in turn bring the total

expenditure to N22.375 billion. Also in this line of argument it will bring the 1987 Budget to a deficit of N4.514.

However, opposing this line of argument supported it with the fact that since contingent revenue is a Federal Government's affairs which is not liable for sharing, that it was not necessary adding it to the entire budget, moreover when the money is not regular.

Stressing the importance of contingent revenue, Chief Kuye said that it is the only available source of revenue to run the Federal Government in the case of emergency.

He illustrated this with the 1986 market crude oil situation, in which every small amount was earned as income from oil sales. Therefore he argued that no government will fold its arm without finding alternative sources of revenue to run the government.

The problem is compounded by the fact

that the Federal Government has no power to utilize the federation account until the money is shared according to the constitution governing revenue sharing, he pointed out.

The government chooses the most realistic sources of generating contingent revenue which will not disappoint it because of the urgent need the explanation continued.

Other problems pointed out by Chief Kuye is the fact that the cost of collecting federation revenue is borne by the Federal Government alone while the revenue is shared among the three-tiers of government the federal, states and local government.

On this basis he suggested that the three arms of government should share the costs of collecting the revenue under the federation account.

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CSO: 3400/238

BABANGIDA PRESENTS DONATIONS TO OATUU

Kaduna NEW NIGERIAN in English 9 Feb 87 p 9

[Text]

ORGANISATION of African Trade Union Unity (OATUU) has been told to encourage national trade unions to adopt postures which would create an atmosphere conducive to increasing the level of productivity of workers.

President Ibrahim Babangida who said this in Lagos at the presentation ceremony of money and material gifts worth 1.2 million Naira to the OATUU added that productivity was an important factor in economic recovery.

The president who was represented at the occasion by the Minister of Employment, Labour and Productivity, Brigadier Ike Nwachukwu, also stated that OATUU should within its material and financial resources mobilise and embark on projects which would generate either self or paid employment in areas mostly affected by natural disasters.

The president said the government has noted the OATUU's appeal for financial and material assistance, to enable it meet its financial obligation and warned that the organisation should not allow itself to be used by any individual country or a group of countries whether within or outside Africa, so that its independence would not be eroded.

He specifically drew the attention of OATUU executive to article 98 of the charter governing the OATUU which forbids it and its affiliates to affiliate to all international trade union organisations.

The 1.2 million Naira financial and material assistance to the OATUU was made up of 250,000 dollars cheque (1 million Naira SFEM rate), two Peugeot station waggon, air-conditioned cars, two motorcycles, two duplicating machines, two electric typewriters and two photo-copying machines.

A one-minute silence was later observed in honour of the president of the OATUU, Mr. Ali El-Nefishy of Libya who died last month.

Also speaking at the occasion, the acting President of the OATUU Mr. Adiko Niamkey of Ivory Coast thanked the Federal Government for being the first African country to give the financial and material support to the organisation.

He said that Africa was going through a difficult period which was why both governments and workers should cooperate to achieve unity and peace.

Mr. Niamkey said OATUU normally should collaborate and cooperate with African countries but unfortunately he said the organisation has no means now to do so.

The Executive Secretary General of the OATUU, Alhaji Hassan Sunmonu said while giving a vote of thanks that the financial and material support presented to the organisation marked the realisation of promise made by President Babangida to assist the OATUU.

He expressed appreciation for the people of Nigeria for the assistance and said the organisation still expect more assistance from Nigeria.

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CSO: 3400/239

PLANNING MINISTER ON 5TH NATIONAL DEVELOPMENT PLAN

Lagos BUSINESS TIMES in English 9 Feb 87 pp 12-13

[Interview with Dr Kalu Idika Kalu, Minister of National Planning, by Nduka Nwosu; date and place not specified]

[Text]

**T**HE Honourable Minister of National Planning, Dr. Kalu Idika Kalu, spoke to the Business Times a fortnight ago, on a number of issues related to the economy. He was taken up on the Fifth National Development Plan which he said would be launched this year, Nigeria's bilateral agreements with other countries, on SFEM and the 1987 Budget with its deficit package.

Below are his answers to the exclusive interview with Business Times senior staff writer **NDUKA NWOSU.**  
**FIFTH NATIONAL DEVELOPMENT PLAN AND SAP**

**Question:** You recently spoke on the Fifth National Development Plan to the visiting British Minister of State (external relations), Mrs. Lynda Chalker. It will be appreciated if you can expose some of the details of this plan along with the 15 years perspective plan being constructed by your ministry.

As a rider, is the Structural Adjustment Programme — SAP also part of the plan? If the

answer is in the positive what is the projected life span of SAP and beyond that what other development strategies under the Fifth Development Plan will come up after SAP would have matured to full cycle?

**Answer:** The most important thing to consider in this question which has many parts to it is that we intend to launch the fifth plan sometime this year. It will take into account all the macro-economic policies which we have been implementing since the coming to power of this administration. Now the Structural Adjustment Programme — SAP is not a time barred issue to something that is an evolution of policies directed at, if you like, requiring the various sectors and sub-sectors of the economy.

When you talk about the maturity of the SAP perhaps you might be talking about the period when the economy would have been fully put back on track. The

period, when the productive sectors are in a position to commence optimum growth whether you are talking about agriculture something in the range of 4 per cent, industries something in the range of 12 to 15 per cent or even higher including the capacities that have been already installed including the opportunities for developing import substitution, export promotion, resource exploitation, and indeed addressing some of the heavy industries within manufacturing and infact, the services sectors; of course, you can take a growth rate representing about 7 to 8 per cent; and for a rational growth rate — GNP of about 8 to 10. At that stage, it doesn't mean that you will not have one or two other problems, but that is the way the economy is expected to be either you are having problems of demand in terms of being able to sustain the growth of consumer demand, investment

demand, or in terms of rigidities in the supply that can create inflation.

At that stage, you assume that your relative prices are about right including your exchange rate, your interest rates and the tariff regime that will meet your needs for domestic production as well as sufficient protection against importation and so on and so forth, while of course, allowing for competition for domestic manufacturers.

Now, for the fifth plan we are also looking at the need to extend the 1986 and 1987 budget prescriptions which in the first instance looked at past projects that were started, but have to be completed to emphasise the need for maintaining installed assets both within the public and private sectors and of course, continuing the drive on rural development of the farm sector development of on-farm processing, storage, the development of rural infrastructures — roads, communications, power, and water supply.

And of course, the exploitation of the cash crop sector, which had been allowed hitherto to decline, but which is now being revived, because of the inducement from the export price being denominated in naira and properly adjusted through the mechanism of the Second-Tier Foreign Exchange Market (SFEM).

The five-year plan, which we intend to run this year will represent

as it were the first stage of a long-term plan, which is going to be a 15 to 20-year plan.

Now, what that means in effect is that by the time we have prepared the basis for the 15-year plan, we will be in a position to know the structural plan of development of various major sectors — power communications, education, health etc, and with this broad sweep over the long-term pattern of growth that shall soon emerge, we will be in a better position to then finalise or revise the five year plans, that is the next one which is the one that will be launched and the one that will come after it and the next one that will come after that. The project content will fall out from this long range over-view of the perspective growth path of the economy. Now a hallmark of the perspective plan is long range planning and very detailed quantitative work which will be underpinned by sectoral and sub-sectoral studies. It will involve all levels of government, local government, state government, and the Federal Government.

It will involve participation by consultants from the various sectors of the economy and participation by some of the multilateral agencies — the World Bank, the EEC, in particular those two because they have the expertise for sectoral work. The UNDP for example will be involved and a lot of the financing for the studies is already provided by them, the multilateral agencies and we are just going to discuss with various ministries to find out

the range of topic and the issues in each ministry. We are going to take into account the work that is already going on in some of the ministries along the same lines and then to see how we can complement it, how we can extend it, to take account of the time frame for the perspective plan. So that is really how that stands.

And in summary, one has to say that for these two planning purposes to be realised we have to have the macro-economic policies which we are trying to institute through the Structural Adjustment Programme — SAP.

As it were, once you have got your macro-base right more or less right in relation to one another, it is then possible to superimpose the five-year plan and the perspective plan on it, so they are all integrally related.

#### NATIONAL PLANNING INSTITUTE AND MACRO-ECONOMIC MODEL

Question: You may want to relate these to the proposed National Planning Institute, and the much talked about macro-economic model on which the Fifth National Development Plan would be based?

Answer: It has already been launched. It is to provide a kind of teaching workshop for those who will be planning at various levels to give them the tools for projects into the plan and then plan monitoring that which has already been set up. The macro-economic models — we are looking at various models as various models address various issues. We are looking at an input output model which really relates the various sectors of the

economy to one another. So we can see where the gaps are in terms of filling in the intermediate activities, developing the natural linkages between one sector and the other and within each sector between various sub-sectors of each sector such as the chemical industry is related to agriculture is related to transportation and communication and so on and so forth.

We also need a comprehensive model for addressing the question of the trade sector, import substitution and export promotion. We need predictive models that can be used for projections. So all these we are going to be doing in collaboration with the National Institute for Economic Research, (NISER) which is a parastatal of this ministry, with the World Bank, and with the EEC which has already had some input into some of the models that we have been looking at. So I think it is absolutely essential in order to capture the relationship between the various sectors and the projection for the development of various tiers of government that we have a model that can provide a sort of arithmetic compilation of the various flows that can quickly give an indication of the implication of the various growth paths and growth patterns and linkages between say the heavy industries to the light industries between the agro-based industries and the other industries which will depend on the agro-sector for intermediate inputs of raw materials.

#### ON BILATERAL AGREEMENTS

Question: You told a NAN correspondent

after your discussions with Mrs. Chalker that the purpose of the bilateral discussions was to strengthen Nigeria-British relations, review and expand areas of technical assistance and seek ways of effecting the recently reached agreement on opening credit lines for Nigeria. Can you please spell out in details, Nigeria's line of interest in these discussions and the extent of progress made on opening lines of credit for Nigerian business and businessmen.

You may also want to talk on other bilateral agreements with other countries in recent times and the likely benefits that Nigeria stands to gain in each case.

Answer: I will give you a general answer to that. First what we have tried to do in the last several months is to touch base, with many of the countries with which we signed many agreements in the past but which had just remained as agreements on paper. Clearly there are two parts to our interest. First there are areas where we can obtain credit on very long term with grace periods which can be addressed to our infrastructures or small industries. So it is to our advantage to have agreements with countries that can provide this kind of financial assistance. There are others particularly some of the African countries where Nigeria's collaboration is requested to help them in resource development, expanding their various sectors.

These include Angola, Congo Republic, Nigeria, Guinea, etc. There are many of these countries

where there had been clearly expressed desires to see more Nigerian official and private participation in their economies.

Going back to the question of Britain, I think that I might add here that the kind of growth which we envisaged for Nigeria requires that we take advantage of all facilities for exploring technological advantage, financial advantage, training advantage and it seems to me that in the early 60s and 70s, we tended to slack down on our traditional relationship with many of the European countries — Britain, West Germany, France etc. Now it is for us to define what our objectives are with those countries who have the expertise and capital and go straight for the objectives.

Now that should not in any way compromise our foreign policy as you know we stated them very clearly. We could not compromise our foreign policy objectives in Southern Africa because we want assistance from Britain. Obviously we should maintain that position but we should also know what specific technological or financial or training assistance that we can get from these traditional trading partners. — West Germany is one, France is another, the Netherlands etc. So the issue is really that we define our own objectives, clearly and then we go straight for these defined objectives and we go into global arrangements where politics invariably takes the upper hand, you end up being in



danger of compromising your position in very vital areas and we cannot afford to do that.

#### STATISTICS AND TRADE DATA

Question: In your last interview with the Business Times, you spoke extensively on your ministry's plans to keep a healthy and up-to-date statistics of the national economy. You may want to tell the Business Times the amount of progress made on our internal data of statistics and the customs bill of entry on which Nigeria's data of external trade is determined.

Answer: We have specific plans for continuing improvement on our data base. The Office of Statistics has a programme which it has been following. Indeed what we discovered in further pursuing the details of this programme is that we do in fact generate a lot of statistics. There is some measure of problem in actually collating and using these statistics and when you do not collate and use the statistics adequately there is always that indication that there are no statistics than we are utilising and I am talking about sector statistics like transportation data, agricultural data, communication data etc. Now there is a lot of these out there. It is just that in many of our courses, we have not really improved the ease with which we can utilise these statistics. But one area where there had not also been much improvement

is in the area of trade statistics.

Rather, there has been an improvement recently but over the previous year or two, one noted that there was a lot of discrepancy between the data collected from customs and the data that is collected from other sources because of some discrepancy in relating quantum index which talks about the quantity in pounds and meters and whatever and the value. And of course once you mix up values and quantity then your price becomes a problem and unit values of prices of exports and imports are very important statistics in determining changes in terms of trade for a country like Nigeria that depends a lot on oil exports and goods imports.

We need to be able to tell whether the price movements are resulting in your favour or against you. And unless you have adequate unit value indices then you don't have a clear estimate of gains or losses due from changes in the terms of trade which is a very important adjustment for GNP, GDP and so on and so forth. This is one area where we feel that with the new structural adjustment requirements for financing imports, the tendency to overstate or understate prices and values and quantities will be reduced. So we expect that over time the price data will improve but on the FOS side, clearly we are going to improve the computerisation, we are allocating funds to them

to repair some of their equipment.

And we are providing opportunities for them to train, to attend more seminars, to improve their skills so that all of these could add in improving the overall quality of our data gathering and analysis. you can see how relevant that this could be if we are looking at a five-year plan and even more so for a perspective plan. We should be able to have basic indicators expressed in constant and current prices so that the deflators are right, and you can watch changes in the real value of your various economic aggregates.

#### THE 1987 BUDGET AS A DEFICIT BUDGET

Question: Soon after the 1987 Budget was announced to the nation by President Babangida and its subsequent details spelt out by the Minister of Finance, Dr. Chu S.P. Okongwu, a number of lapses were detected here and there. In particular the aspect that exposed it to deficit calculations even after the former budget director Chief Kuye had discountenanced some of the errors. In this regard can you enlighten the Nigerian public on whether the 1987 Budget is basically a deficit budget?

Answer: The SAP which was agreed between the Ministry of finance and the multi-lateral agencies, allows for a measure of deficits. The essence of the Structural Adjustment Programme (SAP) is that you define the level of

deficit that is permissible in the sense that it allows for that level of deficit that will not create inflation, that level of deficit that you can absorb because you are trying to take account of the growth that you can stimulate with that measure of deficit. So the question of the 1987 Budget is not a question of deficit or not.

The programme itself allows for it and certainly within the limit that was agreed upon. Now the final estimates which have been utilised were based on certain assumptions about changes on oil price, certain assumptions about the draw down on already committed amounts and also the generation of non-oil revenue. It was also based on the formulae for distributing revenues among the Federal Government, state governments and the local governments. So I think it was wrong to argue and debate whether it is a deficit or not because the programme allows for it. And that was taken into account in making sure that we do not unduly starve ourselves by adhering to a budget that is solely based on a balance in the sense of derived revenues being exactly equivalent to projected expenditures.

#### CBN/SFEM INTERVENTION

Question: Do you think the recent intervention by the CBN to scale down the rapid and upward appreciation of the naira was in the best interest of the economy?

And does this type of intervention not distort

the theory of supply and demand in a free market situation on which SFEM is based?

And as a follow-up to the above question, what in addition to the gradual decline in the quantity of foreign exchange made available to SFEM, is responsible for the regressive performance of the naira against other currencies at the SFEM.

Answer: I think the Central Bank has authority for the management of the exchange system under the supervision of the Finance Ministry. The way the Second-tier Market is expected to work is that biddings should be free and that the regulations governing the bidding should be adhered to by all those who participate in it. Therefore, one has to restate the fact that it is supposed to be a free mechanism for evolving the exchange rates that will be applicable for transactions, that are undertaken during that period, and is supposed to be a free evolving exchange rate.

On the question of the factors, that determine the exchange rates. Obviously in a situation where you do not have enough supply of foreign exchange, and where judging by the amount of request for imports and other uses - imports of goods and of services, judging by the amount that was demanded as indicated by say the value of total applications for import licence for instance, you can surmise that so long as the demand continues to be higher than the supply chances are that the rate will be low that

is the naira value will be low in relation to the other currencies.

Again as the SAP results in changing relative prices, it will change the relative benefits and costs of doing particular business. So, some business may in fact, not be entering the market to demand foreign exchange while others may enter into the market.

So the SAP itself determines those that are going to be profitable to bid the market as opposed to those who were benefiting from the import licencing approach. Now as the supply and demand change in accordance with the relative benefits and costs of the SAP then the impact on the market will determine whether the rate should be going up or down irrespective of the supply of foreign exchange.

Lastly, I think the growth of the economy, the perception of increasing opportunities will also determine whether for instance supply will come not just from public sources of funds but from other sources of funds such as direct transfers from foreigners or Nigerians abroad, that is autonomous flows of foreign exchange into the system to take advantage of opening opportunities in agriculture, trade or industry and so on and so forth. These are all the factors that will determine whether the naira value will go up or down. But there is nothing strange about this up and down movement.

What is strange is the assumption that the exchange rate should not change. And you know that was the position we took for a long time which cost us dearly. Now that we have realised the need for our currency to fluctuate in relation to business changes; I think it is very healthy for the economy, of course it is disruptive where those fluctuations are wide, very wide, but where they are within certain bounds, it is a healthy indication of the business movement, of the changes in the economy, the development of new areas, the changes in profitability and changes in new markets, new products and so on and so forth.

**ON SAP/IMF. IS SAP BETTER THAN IMF? WERE YOU RIGHT THEN?**

Question: While looking into the Daily Times file on you since you were appointed a minister, one quickly rode to memories of our recent past, on options open to the economy. If you were to reflect on the IMF and its loans package for Nigeria, would you say you were right after all, at that time, in insisting that Nigeria must go for the loan? Or do you think the current prescription—the SAP for the ailing economy is as good as the IMF package?

Answer: I am surprised that you do see a distinction between the IMF and SAP. There are two things. First is the absolute necessity to sort out the policies that will address the problems of the

economy. Once you have sorted out the policies, then you need the funds to implement these policies. Now that decision has not changed. All that we have been talking about is the need of funds to run the economy. There are two aspects to the issue. The issue should never have been based on one. The issue is what is the appropriate policy package. Once you have sorted out the appropriate policy package, you need the funds from whatever sources you decide to obtain them. So that is the way this matter should be looked at. So in fact, we are not talking about two different things really.

**NAIRA FLUCTUATION/FLOTATION**

Question: With the naira still fluctuating like a yo yo, do you still hold that floating the naira as it is now done through SFEM can correct the imbalances which will eventually lead to our economic recovery.

Don't you think that the currency markets may set rates that do not reflect economic fundamentals take for instance the per value of the dollar in the last quarter of 1986.

Answer: Ideally the exchange rate should approach its long term equilibrium stable rate. That stable rate is not really one rate, it is a range of rates which should reflect the totality of the productive potential of the economy because when your exchange rate is corrected that means whatever you can produce whether they are traded or non-traded

goods are in fact, reflective of the relative price when you compare it to the same goods and services in other countries. If you do not have the totality of the economy working such as where you have large unutilised capacities and these unutilised capacities can be in the form of personnel like heavy unemployment or large unutilised capacities of plant, then the chances are that you will not approach the long range equilibrium rate. So the financial flows should elicit growth response for all sectors of the economy, then you can afford to meet your long term equilibrium rate of exchange.

As we revamp the economy, we can only move towards that long term equilibrium rate. So there is no clear preferred rate at this point, because indeed we still have large unutilised capacities and we still have large unemployment. That is one thing this government is trying to tackle and again this goes back to your last question. To get all these systems working, you need the funds.

Question: Since the introduction of SFEM, trading at the Nigerian Stock Market has been somewhat dull, would you say the naira squeeze is responsible for the low trading?

Answer: It would be partly responsible; it could also be a reflection of changing benefit costs. Before, where there was so much rent in the system so much subsidy, so much over valuation with the

system of import licencing the tariff regime particularly, resource allocation issue was central. Now with the re-alignment of relative prices, the business sector also has to be re-adjusted and that would in the meantime create a sort of a lull in the stock market.

It would also be a function of the tight monetary policy which has been geared to ensure that we do not fully compensate for

changes in prices by approximate changes in money supply. But as I said the danger there is that we may not also be taking full account of the innate growth potential in the economy because we are not releasing sufficient mobilising credit to ensure that resources can be mobilised to create in goods which in the final analysis will be the most effective way of controlling long term inflation.

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CSO: 3400/235

INDIAN HIGH COMMISSIONER ON COMMUNITY INVESTMENTS

Kano THE TRIUMPH in English 11 Feb 87 pp 1-2

[Text] The Indian High Commissioner to Nigeria, Mr. Deb Mukharji has said that the Indian community in Nigeria has investments worth five billion dollars in this country.

Speaking in an interview with reporters in Joz recently after visiting the Plateau State Military Governor, Mr. Mukharji refuted allegations that the Indian community monopolised the distributive trade in Nigeria.

He however agreed that his countrymen have reasonable investments in agriculture, hospitals, fishiries and the textile industries.

On trade between his country and Nigeria the High Commissioner disclosed that between 1979 to 1985 India imported 600 million dollars worth of oil from Nigeria, while Nigeria bought goods worth 360 million dollars from India during the same period.

The Indian envoy pointed out that despite the imbalance in the trade between the two nations India was willing to buy edible oil from Nigeria. He stated that his country imports one billion dollars worth of oil from major producers annually

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# CENTRAL BANK GOVERNOR ON FOREIGN EXCHANGE INFLOW

Enugu DAILY STAR in English 10 Feb 87 p 4

[Text]

THE Governor of the Central Bank, Alhaji Abdulkadir Ahmed, has described as "a fascinating trend" the foreign exchange inflow into the country.

He disclosed that during the last three months of last year alone a total of 227.6 million US dollars accrued from non-oil exports, invisible transaction and miscellaneous sources.

In his statement to the 18th bidding session of the SFEM in Lagos, Alhaji Abdulkadir stated that the foreign exchange from autonomous sources of funds was a vital complement to the official foreign exchange provided for the market.

He also revealed that 49.8 million dollars accrued in October, while November and December supplied 75.2 million and 102.6 million dollars respectively.

The Central Bank governor pointed out that the inflow of 102.6 million in December roughly averaged 25 million per week; an amount, he termed, "a substantial addition to what was officially supplied at the SFEM bidding sessions".

He said that the largest amount came from the miscellaneous sources increasing from 24.3 million in October to 49 million in December.

Alhaji Abdulkadir added

that the inflow from invisible transaction provided 17.6 and 29 million dollars during the respective three months, while non-oil exports accounted for 47.1 million during the period under review.

He hoped that the trend would not only continue, but "increase over time"; stressing that "it is our ardent desire that funds from private sources should outstrip those the Central Bank supplies."

The bank governor pointed out that the US dollar continued its downward slide against other major currencies over the week, averaging 1.5398 to one pound sterling as against 1.5283 in the preceding week.

He added that it also stood at 1.7965 to one Deutsche Mark, 1.5091 to one Swiss Franc, 5.9978 to one French Franc, 2.0254 to one Dutch guilder and 151.96 to one Japanese Yen.

On the first window, the naira fell to ₦2.6113 to one dollar as against ₦2.5954 the previous week, he concluded.

The director of foreign operations, Mr. Joseph Sogiku, warned that banks that did not pay up the naira equivalent of their winnings to the Central Bank by 12 noon last Friday would lose their winnings.

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CSO: 3400/238

# INDUSTRIES SEEK GOVERNMENT PROTECTION AGAINST COMPETITION

## Textile Industry Seeks Tariff Protection

Lagos BUSINESS TIMES in English 2 Feb 87 p 16

[Article by Dapo Ajibola]

[Text]

THE decision of the Federal Government to commission sectoral studies for the agricultural and industrial sectors in order to determine the effective rate of protection for each industrial group in the adjustment of the customs tariff is good news for the Nigerian Textile Association.

According to Mr. Oludotun Ilo, chairman of the association in an interview with the Business Times, an early adjustment, before the middle of the year, is necessary, because the interim review of the customs and excise tariff now in existence has put the textile industry in a precarious situation as it exposed the local industry to unfair competition with imported textile goods.

If the interim review, he said, was undertaken in order to protect local industries against undue competition from imports, to

control the problems of employment and inflation and to encourage utilisation of local raw materials by industries then the textile industry had not been protected.

However, instead of doing this, the new tariff had exposed the local tion. [as published]

It is a thing of wonder to see the tariff on silk reviewed from 35 per cent to 10 per cent when at the same time tariff on cotton increased from 10 per cent to 20 per cent. For a hot and humid climate like Nigeria's the use of silk is not suitable whereas it should be of note that cotton on the other hand is the fibre that is best suited for the hot humid climate of Nigeria.

Therefore, there is no rationale for reducing tariffs on the high luxury item since silk is a fibre exclusive for the affluent in any society, which are not

at all locally produced. And not essential for the generality of the population and which indeed are not ideal for the climatic condition of the country.

Apart from silk, the new tariff also dealt with imported yarn. Mr. Ilo said that the tariff on various yarns had been reduced from 30 to 15 per cent. Ironically, the same Federal posed a backward integration of the industry and under this programme yarn importation was to have been banned by October, 1984, but 1986 had been only a reduction of tariff.

Quite a number of the new spinning mills in the industry had been approved and in the last two or three years granted import licences for machinery.

As most of these mills are now about to commence operation one would have expected not a reduced tariff on yarn but an increased tariff at this particular time.

## Petroleum Corporation Seeks Protection

Lagos BUSINESS TIMES in English 9 Feb 87 p 1

[Article by Ndu Ughamadu]

[Text]

**T**HE Nigerian National Petroleum Corporation (NNPC) has sought protection from the Federal Government against prices of imported petrochemical products. This is to enable it sell the locally manufactured ones which will be in the market this year.

An authoritative source from the Port-Harcourt based petrochemicals sector of NNPC told the Business Times in Lagos last week that part of the protection package was a proposal on range of prices the locally produced products would sell adding that if approved, this would be below the "landed costs of imported ones".

It further said that the new range of prices which was not disclosed, was necessary because with the introduction of the Second-Tier Foreign Exchange Market (SFEM), more petrochemical products

particularly polypropylene would be imported into the country, stressing that should prices of their products be left the same or higher than imported ones — industrialists would prefer to import.

This will keep them out of business considering the huge volume of money that has been invested in the projects more importantly, where bulk of the money included loans from the international export credit guarantee scheme and other local sources.

Our source said that the cost of executing the first phase of the petrochemical project had risen because cost of infrastructural facilities like roads are added, stressing that in many parts of the world these were provided by the government and never added in the total cost package.

It further noted that if the government wanted the petrochemicals plants to operate on purely commercial basis, it should be ready to write off some of the plants debts.

Though initially, local production of petrochemical products particularly polypropylene would fall short of total

domestic demand the protection was still necessary in order not to shut down the plants.

Under the projects, three phases are envisaged. The plants which constitute the phase one are located at Ekpan (Bendel State) and Kaduna.

The three plants located at Ekpan which form part of phase one would produce polypropylene used in the manufacture of bottle crates, car battery casing, plastic containers, heavy duty sacks for agricultural products.

Carbon black is used primarily for the manufacture of automobile tyres, rubber hoses, electrodes, printing ink and paints. The products from the HF Alkylation plant are used to improve the anti-knock quality of gasoline.

The Kaduna Plant would use kerosene and reformate from the nearby refinery to produce Linear Alkyl Benzene (LAB), a base material for the production of synthetic detergents.

According to the Petroleum Resources Minister, Alhaji Rilwanu Lukman, "The Ekpan plant will be ready for commissioning in the first quarter of 1987".

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NLC CHAIRMAN DEMANDS WAGE INCREASES

Kaduna NEW NIGERIAN in English 13 Feb 87 p 9

[Text]

THE President of the Nigeria Labour Congress, Alhaji Ali Chiroma, said in Benin that since manufacturers were allowed to increase prices of their products with the introduction of Second-tier Foreign Exchange Market (SFEM), workers in the country ought to be given salaries and wages commensurate with the rising cost of living.

Alhaji Ali said in an interview that "workers' salaries should not be below cost of living, saying that "the two should be at par."

He said "for now, it is just hopeless, as prices of commodities had gone up three-folds thereby making workers salaries insufficient for their needs.

Commenting on the newly-created directorate of labour

which is to employ 1,000 people in each state of the federation, Alhaji Ali said "it is a good attempt if it will work".

He, however, said that the programme could not be an alternative to a well-articulated programme of offering jobs to the unemployed.

He urged the government to utilise the country's resources in a way that everybody would benefit and urged workers to be united in the struggle to bring about an improvement in their living condition.

Alhaji Ali arrived Benin on a three-day working visit to Bendel State. (NAN)

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CSO: 3400/237

## PRODUCTIVITY BOARD RULES OUT SALARY INCREASES

Kaduna NEW NIGERIAN in English 19 Feb 87 p 24

[Text]

NO revision of salaries and wages will be permitted in both the private and public sectors in 1987.

Normal increments will, however, be allowed while adjustments in incremental rates remain forbidden.

The Productivity, Prices and Incomes Board announced these under its Income Policy Guidelines for the year, published in Lagos.

The board explained that the measures were as a result of the Federal Government's Structural Adjustment Programme intended to find solutions to the continuing problem of economic recession.

The guidelines provide that changes in salaries, wages and fringe benefits should not be back-dated except in the case of promotion or advancement of staff.

Dividends up to 50 per cent of the current year's after tax-profit are permitted to be declared and

distributed, while a withholding tax of 10 per cent is payable on all dividends.

The guidelines enjoin that advertisements for the sale of goods and services in the news media should carry actual prices as distinct from a range of prices of the particular goods or services advertised.

In addition, the prices of goods and services for sale must be displayed in a conspicuous place to guide consumers.

The board directs that deposits paid by applicant distributors/agents should attract interest at the ruling bank rate as from three months after such deposits have been made.

It adds that such deposits should be credited to the account of the successful applicant, or refunded, within six months, with interest, where such application does not succeed.

Failure to comply with the provisions of the guidelines attracts penalty under section 5(2) of Decree No. 30 of 1977.

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# STATE GOVERNMENTS ORDERED TO EMPLOY YOUTHS

## Special Public Works Program Established

Kaduna NEW NIGERIAN in English 2 Feb 87 p 1

[Text]

FEDERAL Government has directed all state governments to employ with immediate effect about 1,000 unemployed youth under the special public works programme (SPWP).

The acting director-general of the National Directorate of Employment, Mr. Dayo Ajayi, said at a press conference in Lagos yesterday that the Minister of Employment, Labour and Productivity, Brigadier Ike Nwachukwu, had written a letter to all the state governors to implement the directive.

Out of this figure, he said, 200 were graduates while 800 were non-graduates, adding that the vacancies would be equally spread among the local government areas in each state.

According to him, the directorate would pay non-graduates 150 Naira each while graduates would receive 200 Naira monthly.

Mr. Ajayi also explained that each state would receive 480,000 Naira for the first quarter when it had been established that it had fulfilled all the requirements of the directorate.

This amount would be used in

paying the wages of the employed youth, he added.

Those youth employed under the programme would be engaged in public works such as maintenance of roads, buildings, bridges and dams and other environmental sanitation works, he added.

He enjoined Nigerians to support the directorate in order to achieve success in the national programme.

Answering a question, Mr. Ajayi said that there were about three million unemployed youth in the country now, but regretted that they have skills that were not marketable.

He explained that such youth would be trained under the directorate's national open apprenticeship programme with the view of making them self-employed.

Mr. Ajayi also announced that a survey was being conducted in Lagos State in order to identify how many vacancies exist in some industries.

According to him, the national open apprenticeship programme was at the moment confined to

Lagos State alone, pointing out that "other states and the federal capital, Abuja" would be brought in later.

Answering another question, he said modalities for the disbursement of the 30 million Naira were being worked out between the directorate and some banks, adding that, trades available under the national open apprenticeship scheme include accountancy, arts, building trades, civil engineering works and computer technology.

Others are draughtsmanship, electrical/electronics, mechanical trades, music and wood-works.

Trainees are expected to have any of the following qualifications: primary school certificate holders, S.75 (class iii), G.4 (class iv), West African School Certificate holders, holders of ordinary national diploma and equivalent, higher national diploma and graduates, he added.

## Applicants Queue Up in Bendel State

Kano THE TRIUMPH in English 5 Feb 87 p 12

[Text]

MORE than 5,000 unemployed graduates and non-graduates of Bendel State origin were interviewed last week under a special service works programme designed by the Federal Government to create job opportunities in the state, a source in the state office of the Federal Ministry of Employment, Labour and Productivity said in Benin on Monday.

The source told the News Agency of Nigeria (NAN) that about 3,500 males were interviewed in

the programme which would create jobs for only 1,000 people.

He said that out of the 1,000 openings, 200 would be for graduates and the remainder for non-graduates.

The source further said that most of the applicants opted for employment in such non-specialised areas as sanitation work and social services, but added that during the interview about 20 cases of suspected certificate forgery were recorded.

## Applicants Register in Cross River State

Lagos DAILY TIMES in English 7 Feb 87 p 8

[Text]

MORE than 5,000 job seekers turned up on Thursday in Calabar for 1,000 jobs promised by the Directorate for Food and Rural Development in Cross River State.

The applicants came from the 17 local government areas in the state in answer to the directorate's invitation to all registered unemployed persons to attend an interview.

The premises of the social welfare division of the state Ministry of Information, the venue for the interview, was noisy and crowded, as most of the applicants, having no place to sit or stand, strolled around while waiting for their turn.

Despite the large number, the interview

started smoothly at about 9.00 a.m. with the graduates and HND holders called in first according to their local government areas.

The exercise is likely to spill over into next week as the panel of interviewers, split into three groups to speed their task. It was yet to start calling in OND and secondary school leavers, who formed the bulk of the crowd, at about 3.00 p.m. when this reporter left the venue.

A member of the panel described the turn-out as "moderate, bearing in mind that 48,000 unemployed persons were registered in the state last year."

The permanent secretary in charge of the direc-

torate, Mr. A. W. Etukudo confirmed that the directorate could absorb only 1,000 people now.

Commenting on the interview, a female graduate, Miss Ewa Ekeng, said "There was not much in it. They only noted down your credentials, informed you that the job is essentially manual in nature and asked whether you will accept it if offered to you."

Many graduates said they would accept the job despite the low pay of N200 per month for graduates and N150 for others.

Miss Ekeng said she sees the exercise as "the second phase of the National Youth Service and thus a satisfactory

## Training Center Initially in Lagos Only

Lagos DAILY TIMES in English 5 Feb 87 p 24

[Text]

**T**HE vocational skill training programme of the National Directorate of Employment will initially be restricted to Lagos.

The Director-General of the directorate, Mr. Oladapo Ajai said this while briefing the Press in Lagos yesterday.

He said the restriction became necessary to enable the directorate monitor the effectiveness of the scheme.

Mr. Ajai listed identified major areas of training as accountancy, arts, building trades, civil engineering works, computer technology, and draughtsmanship.

/13046

CSO: 3400/230

## BAN ON STUDENT UNIONISM REVIEWED

### Lagos State Government Reconsiders Ban

Lagos DAILY TIMES in English 16 Feb 87 pp 1, 13

[Article by Kate Okoronkwo]

[Text]

**L**AGOS State Government may soon lift the ban on students unionism in its higher institutions.

Government sources said that the issue was discussed during a closed-door meeting between Governor Mike Akhigbe and the Academic Staff Union of the Lagos State College of Education (LACOE) Otto-Ijanikin, at the week-end.

The governor was at Otto-Ijanikin for the institution's seventh convocation.

A ban was placed on students unionism all over the federation during the last nation-wide students crisis.

According to the source, the decision to lift the ban was not unconnected with the need to bring about harmonious and peaceful co-existence between staff and students.

The college awarded 1,344 graduates their National Certificate of Education (NCE) at the convocation.

Speaking at the ceremony, Governor Akhigbe urged the graduands to put the best of what they had learnt in the college into teaching their students and also assist in raising the standard of education in the country.

The state Commissioner for Education, Professor Ajato Gandonu, said that N5.2 million of which N3 million was for capital programmes and development, was made available to the college this financial year.

The provost of the college, Dr. B.B. Oderinde, called on the state government to look into students' welfare, especially the provision of infrastructural facilities, adding that land should be made available to those wishing to build hostels for the students.

## Union Activities Resume at Nsukka

Lagos DAILY TIMES in English 17 Feb 87 p 3

[Text]

**T**HE governing council of the University of Nigeria, Nsukka (UNN) has approved the reactivation of students unionism in the university.

The vice-chancellor, Professor Chimere Ikoku, who announced this at the weekend, said that the unions on the two campuses of the institution would operate on the lines laid down for them by the Federal Government.

He also said that only students who opted for membership of the unions would belong to them.

Professor Ikoku observed that if properly operated, students unions would form the fourth tier of administrative machinery of institutions of higher learning by presenting and protecting the interest of the student body.

He was speaking at the matriculation of 4,939

students of institution at Nsukka at the weekend.

He expressed the hope that all the students would join the union and make it active to play the role expected of it in the life of the university.

Professor Ikoku reminded students of the 1980s that they were the leaders of the twenty-first century whose task, he said, would be to implement our national goal of self-reliance through productivity.

He emphasised that productivity depended on knowledge, dedication to duty and response to economic, physical, social and political challenges which they acquired during their student days.

He advised them to determine from the start what was their goal in coming to the university and pursue that goal with dogged determination.

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CSO: 3400/232

SENIOR STAFF LABOR ASSOCIATION WINS APPROVAL

Lagos SUNDAY TIMES in English 8 Feb 87 p 16

[Article by Tony Masha]

[Text]

**A**FTER about ten years of seeking recognition, senior staff association has now been registered under the Land Perpetual Succession Act.

The quest for legal backing began in 1978 after the labour decree which established the NLC came into existence leaving senior employees without a central umbrella.

During its struggle for recognition, the association operated under the auspices of Federation of Senior Staff Association of Nigeria (FESSAN).

However, the association now registered under the Land Perpetual Act via certificate No. 4525 is known as Senior Staff Consultative Association of Nigeria (SESCAN).

SESCAN secretary-general Sola Iji explains: "Our basic aim is at least to explore the possibility of influencing government labour policies to ensure that they are humane and in the interest of workers who contribute to the wealth of the nation.

"Being managers in our own rights, we will be able at this level to consult with employers and the government to ensure smooth industrial relations at the national level.

"Individual associations will have to negotiate with employers and where necessary we will

intervene to forestall anything that would mortgage the welfare of workers."

"SESCAN, Nigeria Employers Consultative Association (NECA) and the NLC should be able to meet and formulate labour policies that would be beneficial to all parties after which the government will be expected to give such proposals legal teeth"

Mr. Iji said that the present trend where government initiates policies only for NEC or NECA to disagree cannot enhance industrial harmony.

"We therefore believe that we should be able to play our part in any labour matter and be involved in ILO, Industrial Court, Nigeria Labour Advisory Council and other government agencies where labour matters are discussed."

He said that involvement of SESCOAN in labour issues would help reduce areas of conflicts in industrial relations because of the high calibre of its members.

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CSO: 3400/239



NNPC STRIKES OIL IN CHAD BASIN

Kaduna NEW NIGERIAN in English 16 Feb 87 pp 1, 3

[Article by Abdullahi Idris]

[Text]

**OIL search in the Chad basin region has started yielding result, NNPC Northern Co-ordinator for Mining and Gas Exploration, Mr. G.A. Adesona, told Governor Abdul Mumini Aminu at the weekend.**

Mr. Adesona said oil had been struck in the fifth well in Gaji Ganna, near Maiduguri.

He said the quantity of oil discovered in the area had not been determined but added that the NNPC had flared hydro-carbon for about four hours lately.

The co-ordinator said drilling would, in a month's time, be shifted to a new location with more oil prospect, adding that six wells had been identified and that work would begin soon.

Mr. Adesona said the road leading to the new location would soon be constructed to facilitate easy access.

Responding, Governor Aminu urged the NNPC to rededicate itself in the task ahead, saying that there were many untapped mineral deposits in the area.

He observed that prospecting for oil usually took years but said with renewed vigour the NNPC would soon succeed in its undertaking.

Governor Aminu said already huge investments had been made in the area and advised that this should be justified.

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CSO: 3400/236

# WATER HYACINTH VIEWED AS POTENTIAL ECONOMIC ASSET

Lagos DAILY TIMES in English 6 Feb 87 p 20

[Text]

**W**ATER Hyacinth earlier regarded as a menace on Nigerian waters has now become a potential economic source.

Already animal feed, paper pulp, mosquito coil and edible protein have been produced from water hyacinth extracts.

Minister of Science and Technology, Professor Emmanuel Emovon who disclosed this in Lagos yesterday said the products were however still at the trial stage.

He explained that other products being derived from the weeds include liquid fertilizer, ceiling boards/card boards and gaskets.

In a message sent to the two-day bilateral meeting between Nigeria and the Republic of Benin on water hyacinth, the minister remarked that there was no limit to the use to which water hyacinth could be put.

He declared that the challenge before the two countries was the capacity to harness their natural resources and transform the "seeming menace or waste into products and services."

The minister who was represented by his special adviser, Professor Awele Maduemezia announced that Nigeria would soon sponsor a sub-regional workshop on the control

and use of the water hyacinth.

Scientists and entrepreneurs in the country, he stated have designed and produced some locally fabricated prototype devices used to stem the surge of the weeds.

These, he listed as the floating barrier for water weed containment; the floating dragnet and basket for clearing mid-stream water hyacinth and the mechanical harvester for clearing matted weeds.

Professor Emovon said that the concern on both sides should not be the source of the surge but rather means of effectively controlling them on either side of the border.

Nigerian government in the last year spent over N2¼ million on the mechanical clearance of the weed; according to the minister.

Professor Emovon said that research would be continued on other methods for controlling the water weeds and its economic use.

In his own address, the leader of the Beninois delegate, Professor Nestor Aho said there was need to adopt an appropriate technology for the clearance of the weeds in order to maintain the natural equilibrium of the environment.

RAILWAYS CORPORATION FACES FINANCIAL CRISIS

Lagos DAILY TIMES in English 13 Feb 87 p 24

[Article by Funmi Jolaosho]

[Text]

**O**PERATIONS of the Nigeria Railways Corporation may grind to a halt before July due to financial crisis.

This is because the yearly subvention to the NRC has been reduced by about 59 per cent

Investigations showed that only N49.68 million was approved for the NRC in this year's budget, compared with N84.50 million in 1986.

Also the first quarterly subvention to the corporation was reduced from N21.10 million in 1986 to N7.01 million in 1987.

It was gathered that the reduction in subvention, would hinder effective performance of the corporation in 1987.

The source further revealed that the drastic cut in subvention caused the delayed payment of January salaries.

As at the time of this report, senior workers of the NRC were yet to receive their January

salaries, while junior workers received their January salaries, in the first week of February.

Contacted, the Chief Public Relations Officer of the Nigeria Railways, Mr. Idrees Abdul-Azeez confirmed the decline in government subvention.

He said the management of the Corporation had already requested the Ministry of Transport and Aviation to approve a supplementary budget for the NRC.

Mr. Abdul-Azeez said the increase was necessary to enable the corporation meet its obligation.

"We need coaches and rolling stock, our major headache is to get funds to purchase these equipment," he added.

Last October, the 30,000 employees of the Nigeria Railways Corporation embarked on a nation-wide strike to pressurise the Federal Government to change her attitude to the corporation.

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CSO: 3400/236

# SURVEY REVEALS ESSENTIAL COMMODITY PRICE INCREASES

Enugu WEEKLY STAR in English 15 Feb 87 p 1

[Article by Peter Umenze]

[Text]

**P**RICES of essential commodities have continued to soar under the Second-Tier Foreign Exchange Market (SFEM) and most traders have continued to flout the Federal Government's order on fixing price tags on goods and commodities for sale.

In a survey conducted by the Weekly Star in major markets and supermarkets, prices of essential commodities and food stuffs like rice, beans, yam, garri, detergents and soaps have gone up considerably.

A household food, garri, which was hitherto sold at between nine and ten cups at N1 a few weeks ago now sells at about eight cups for the same amount.

A cup of rice (Abakaliki) sells at 45 kobo while Uncle Bens brand is 55 kobo a cup.

Beans on the other hand has not attracted any appreciable price increase. It is still sold at between 40k and 45 kobo a cup while a tin of vegetable oil is N15.

Also, the cost of one cup of 'ogbono' sells at more than N8 while the corresponding quantity of 'egusi' cost N1. The cost of 'ogbono', "Star" gathered has made most families and hotels to remove "ogbono" soup from their menu.

The hike in prices of essential commodities also affected detergents and allied products.

A medium size 'Omo' has jumped from N1.50 last December to N2.50 while the giant size is sold at N11.

A tablet of Lux soap, Imperial Leather, Premier or Life bouy sells at between N1 and N1.50 while many families now go without milk. Peak milk is still not within the reach of the common man since the price ranges from N1.20 to N2.

Consumers and market women interviewed, described the months of January and February as "very bad months" in relation to generation of money. According to them, few people patronize market goods because of their inability to replenish their pockets as a result of heavy expenditure during the yuletide.

The Federal Government's directive that goods in markets should carry price tags were not heeded to apart from some big supermarkets who were traditionally known for fixing price tags on their goods on display.

The consequences of the current global economic recession not withstanding, some people told our correspondent that the SFEM introduced into the country's monetary system as a special adjustment programme of the ailing economy has a "special" effect on the high cost of essential commodities and general goods sold in our markets.

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CSO: 3400/236

# FIGHT FOR TRIBAL SUPREMACY GRIPS PLATEAU STATE

Kano SUNDAY TRIUMPH in English 15 Feb 87 p 12

[Article by Shehu Dauda]

[Text]

**THE dreaded monster of ethnic wrangling has once more reared its ugly head in Plateau State, threatening the precarious balance of peace among the different groupings in the area.**

A pointer to this was given by a traditional title holder from Lafia, Alhaji Musa Abbas Musa II (Santurakin Lafia) when he breezed into our newsroom to complain about recent happenings in Plateau State.

Alhaji Musa who was a member of the defunct state House of Assembly described as "discriminatory" the present administrative set up in the state which he said favoured the "so-called sons-of-the-soil against the Hausa/Fulani/Kanuri settlers".

To buttress his point, the former member of parliament said that out of the 17 permanent secretaries appointed recently due to re-organisation in the state civil service, only two of them are muslims, while

only one is of Kanuri stock, leaving out the Hausa/Fulani with no representation.

Demanding the rationale behind such a lop-sided appointment Alhaji Musa asked, "how can people co-operate with a government that comes out clearly to victimise them?"

Tracing the history of appointment of commissioners since the former Benue Plateau State was created in 1967 the former MP pointed out that from that time to 1986, Lafia Local Government has always been represented in the state cabinet, due to its large size and population.

On the issue of development Alhaji Musa alleged that instead of the state government to construct roads

in the local governments it designated as urban, centres huge sum of money is currently being wasted in building roads that lead to the private homes of three ministers in Jos metropolis.

He gave out the names of the affected roads as the one opposite ITF Headquarters, another leading to the National Library and the one leading to Maina Hotel, all within Jos town.

According to Alhaji Musa, as part of a grand design to favour one section of the state against the other permanent secretaries from Lafia and Keffi in the State Civil Service were removed and told to go and fill up the state's quota in the federal civil service only to be replaced by much junior officers from the "so-called upper Plateau".

Furthermore the former MP revealed that for the first time in the history of civil service in Nigeria, a Staff Nurse was appointed a Permanent Secretary because he was "son-of-the-soil".

The former Assembly member also accused Governor Lawrence Onoja's administration of appointing only people from the upper Plateau as General Managers and Chairmen of the State three media organisations (*Standard Newspapers, Plateau Television and the Plateau Radio*) as a

deliberate attempt to suppress the views of Hausa/Fulani/Kanuri.

Despite all these problems however Alhaji Musa was optimistic that peace and property would reign in Plateau State if the state governor gave a sense of belonging to all the communities in the area pointing out that the recent sermon delivered by Governor Onoja at Lafia during "Peoples Forum" in which he quoted extensively from the Qur'an and the Bible was a step in the right direction.

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CSO: 3400/234

## DEFENSE EQUIPMENT MANUFACTURING

### Army To Encourage Companies

Lagos DAILY TIMES in English 14 Feb 87 p 9

[Text]

**T**HE Nigerian Army will continue to encourage companies with potentials for the manufacture of defence materials and systems.

The director of research and development, test and evaluation of Training and Doctrine Command, Minna (TRADOC), Lt. Col. Sheidu Zibiri made the statement at a press conference in Benin yesterday.

Col. Zibiri said the press conference is a prelude to the first Ministry of Defence (MOD) industrial seminar on using defence materials and manufacturing capabilities in Ni-

geria, coming up in Benin on Monday.

He told the press that companies which have been identified with capabilities for the manufacture of defence items of soft-ware nature have enjoyed patronage from the procurement branches of the ministry of defence.

Lt. Col. Zibiri said: "There is need to widen the scope of local participation in meeting the needs of the armed forces and other security services in the area of quartermaster items."

He further stated that

the aim of the seminar was to investigate local capabilities for the design, development and fabrication of quartermaster items using high local content.

"It will be backed by a limited scale of products exhibition of local capability in design, and fabrication of proto types and end items," he added.

Lt. Col. Zibiri said that samples of current military quartermaster items being used by the Nigerian Armed Forces will be on display for the benefit of indigenous manufacturers.

### Air Force Begins Spare Part Production

Kaduna NEW NIGERIAN in English 7 Feb 87 pp 1, 3

[Text]

**T**HE Air Officer Commanding the Nigerian Air Force Logistics Command, Air Commodore Nura Imam, said yesterday that the Nigerian Air Force had started manufacturing basic aircraft components in its efforts to achieve self-reliance.

Air Commodore Imam told the News Agency of Nigeria (NAN) that the air force was manufacturing some spares needed for maintenance of aircraft like hydraulic units, actuators in addition to trying its hands on the

production of brake units and plastic unpressurised sections of aircraft.

Air Commodore Imam said a national aircraft maintenance policy with the objective of ensuring the maintenance of aircraft had been presented to the Federal Government for approval.

He said it was the belief of National Board on Aircraft Maintenance that if its recommendations were accepted, that would go along way to improving

skills and maintenance proficiency.

Air Commodore Imam said maintenance depots were being set up, pointing out that when fully equipped all overhaul of aircraft would be undertaken at home.

Air Commodore Imam said the Defence Industries Corporation in Kaduna was taking steps to manufacture military requirements like uniforms, shoes, buttons and military badges.

He said a committee had been set up to harmonise the requirements of the armed forces and the police.

Air Commodore Imam said transfer of airspace technology to the country was very slow because a lot of money was involved in carrying out research and training of the skilled man-

power needed, while infrastructure were also lacking.

He said the country could however start with assembly of aircraft as was done in some countries.

Air Commodore Imam, a member of the Armed Forces Ruling Council, said over 20 persons arrested, including some military personnel, found roaming within the perimeters of the Murtala Muhammed Airport for attempting to steal baggages from aircraft have been prosecuted, after having been summarily dismissed from the service.

He said an airport police command had been established to ensure security at the airports in addition to joint patrols being undertaken by military and police personnel and fencing of the airport.

#### Industries Spokesman on Ammunition Exports

Kano THE TRIUMPH in English 19 Feb 87 pp 1-2

[Article by Bako Mohammed]

[Text] The Defence Industries Corporation, (DIC) Kaduna, has started exporting bullets and explosives to some African and Asian countries, THE TRIUMPH has learnt.

A spokesman of the corporation told THE TRIUMPH inside the DIC Pavilion at the on-going Kaduna International Trade Fair that the new development was an indication that the much criticised corporation is functioning effectively.

This, he added, is a great achievement in the National Policy of Export Promotion drive embarked upon by the Federal Government.

He stated that request for DIC products have been received from many countries and emphasised that the armaments factory would meet such demands conveniently.

The spokesman disclosed that the DIC has a steady internal market for its products pointing out that its customers are the Nigerian Army, the Navy and the Nigeria Police Force.

Meanwhile, a new division of the DIC for the assembly of Armoured Military-Vehicles is under construction in Bauchi State, the source informed THE TRIUMPH.

The Defence Industries Corporation is Nigeria's basic arms industry established in the 1960s to cater for the needs of the country's Armed Forces in minor arms requirements.



## Minister Calls for Local Manufacturing

Kaduna NEW NIGERIAN in English 17 Feb 87 pp 1, 3

[Article by Andrew Isibor]

[Text]

MINISTER of Defence, Major-General Domkat Bali, has called on local experts and entrepreneurs to put their heads and resources together in setting up viable organisations for the local manufacture of defence needs.

He said the country's ultimate goal should be to develop a technological base for the production of most defence materials so that our level of dependence on overseas manufacturers would be reduced to the barest minimum if not totally eliminated within the next decade.

Major-General Bali made the call in Benin yesterday in an address read by a member of the Armed Forces Ruling Council (AFRC), Col. David Mark, at the opening of a five-day industrial seminar organised by his ministry for selected military officers and civilians.

He stressed the need to involve local manufacturers in the design and production of defence items.

Local technology must be evolved to design, develop and manufacture selected items so that the confidence gained over time in the process can spill over into major production of defence needs, he added.

Major-General Bali said a minimum level of self-

reliance in the production of vital defence materials and systems was a safe-guard for the protection of national interests, the pursuit of foreign policy, the execution of viable defence options and national mobilisation.

The minister assured manufacturers of options and national mobilisation.

He assured manufacturers of defence materials of patronage provided the materials met defence specifications, quality control and assurance.

In his speech, the Commander of the Nigerian Army Training and Doctrine Command, Brigadier Ola Oni called for a national technological council under the chairmanship of President Ibrahim Babangida to work out a defined technological goal for the country.

He suggested that the council should be responsible for forging technological policy, mapping goals and objectives, determining industrial policy, promoting and rewarding creativity and inventiveness.

This, Brigadier Oni said, would place Nigeria on the threshold of self-sufficiency in basic needs by the year 200.

He stressed the need for importation to give way to local fabrication and promised the seminar would resolve the issue of over-dependence on others for our basic needs.

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CSO: 3400/231

## BRIEFS

LABOR FACTIONS DECLARED ILLEGAL--President Ibrahim Babangida, exercising his power under the National Economic Emergency Powers, has declared illegal and unlawful the two factions of the National Union of Petroleum and Natural Gas Workers and National Union of Hotels and Personnel Service Workers. The power to do so is conferred on the President by decree 22 of 1985. The two factions are the National Union of Petroleum and Natural Gas Workers led by Innocent Ogbu and Richard Uzegbu and Hotels and Personnel Services workers led by Benson Oduduru and Nathaniel Lukula. [Text] [London AFRICAN CONCORD in English 29 Jan 87 p 33] /13046

SHIPPING TERMINAL GUIDELINES--The Federal Government has issued new guidelines that standard ocean-going cargo vessels of above 3,000 deadweight tonnes should not make further use of the country's three lighter terminals, the Nigerian Ports Authority (NPA), chairman, Brigadier Mohammed Haladu, said yesterday in Lagos. He said in an address to a four-day seminar on the "logistics services to the oil industry" that the guidelines superseded a government directive of December 10 last year, which did not state the weight of vessels that could berth at the current lighter terminals and subsequent ones. Brigadier Haladu explained that under the new guidelines, lighters, barges and pontoons carrying special cargo for the oil industry and other operators of cargo services should indemnify NPA against any damage including "consequential damages to the quay airons or surfaces" in line with, the "nature of operation engaged in by the company." [Text] [Lagos DAILY TIMES in English 3 Feb 87 p 240] /13046

AIR FORCE PLANE CRASHES--A Nigerian Air Force Alpha-Jet aircraft crashed on Wednesday killing the pilot who was the only occupant on board. A statement signed by Wing Commander, M.A. Adediji of the Nigerian Air Force Headquarters, said the aircraft crashed in Kainji while on a training mission. According to the statement which was issued in Lagos yesterday, the accident has already been reported to the Nigerian Air Force Headquarters and arrangements have already been made to institute an immediate board of inquiry to investigate the cause of the accident. [Text] [Kaduna NEW NIGERIAN in English 13 Feb 87 p 3] /13046

SENIOR ADVOCATE APPOINTMENTS--Five new Senior Advocates of Nigeria (SAN) were named yesterday. They are: Mr. Anthony Okoye Mogboh, Chief Afe Babalola, Mr. Babashola Orobiyi-Rhodes, Mr. Thompson Okpoko and Mr. Aliyu Salman. They would be presented with the award on February 25 in Lagos by the Chief Justice of the Federation, Mr. Justice Ayo Irikefe, it was announced last night. [Text] [Lagos DAILY TIMES in English 12 Feb 87 p 24] /13046

## ARTICLE EXPLORES MOBUTU'S RELATIONSHIP WITH OPPOSITION

Frankfurt FRANKFURTER ALLGEMEINE ZEITUNG in German 22 Jan p 5

[Text] After lengthy delays, the Zaire authorities have at last permitted Makanda Mpinga Shambuyi, the seriously ill critic of the regime, to leave for Europe for urgently needed medical treatment. Zaire opposition circles have since intimated that he has arrived in Belgium. Makanda, founder member and secretary for foreign relations of the "Union for Democracy and Social Progress" (UDPS), an opposition party illegal in authoritarian one-party Zaire, suffers from a severe case of diabetes and also the consequences of a fall. He is said at one time to have already been in a coma. His state of health had deteriorated due to inadequate treatment when he and six other prominent UDPS politicians were arrested in June last year and, vaguely accused of subversion, was subjected to administrative banishment for an indefinite period.

According to his daughter who is a student in Belgium, UDPS chairman Kibassa-Maliba is also seriously ill. However, in contrast to Makanda, he could be properly treated in Zaire if no longer deprived of the necessary medication. Kibassa-Maliba is held in a prison camp in intolerable conditions. The other leading UDPS activists (with the exception of Makanda who had been transferred to a hospital in Kinshasa some time ago by reason of his poor state of health) live in supervised banishment in remote localities of Zaire. Marshal Mobutu's regime frequently imposes banishment on its opponents--in addition to more drastic repressive measures and occasional (and sometimes successful) attempts at "buying back" the allegiance of political dissidents by offices and other benefits. The Belgian colonial administration had already practiced the method of banishing for people who made themselves unpopular with it.

These dissidents are not the only ones deprived of their freedom in Zaire for having expressed criticism of the regime. A publication by the UDPS representatives in the Benelux countries, dated December last, lists the names, dates of arrest and the location of the prison or banishment of 54 members. It is estimated that more than 500 sympathizers of this opposition movement have been deprived of their freedom. An Amnesty International Report mentioned more than 100 arrests of UDPS followers in the

period from October 1985 to January 1986. With a few exceptions, none of the arrested were indicted, let alone put on trial. Mistreatment and cruel jail conditions were reported in many cases.

The UDPS was established in February 1982. Its principles provide for strict nonviolence and operation in the country itself, not from exile. Its ancestry goes back to a protest movement that started within the one-party regime. This found its expression in a voluminous letter written by 13 parliamentary deputies to chief of State Mobutu Sese Seko in November 1980. It contrasted Mobutu's promises and stated ideals with the real situation and called for a public debate of key issues, for respect of the Constitution and reforms guaranteeing democracy and human rights. This letter was the response to the failure of attempts to seriously exercise parliamentary control in view of the financial abuses of the regime.

#### Multiparty System or "Party Internal Opposition"

The thirteen were arrested and deported but, due to international pressure, were freed a year later. Immediately after the establishment of the UDPS in 1982 by twelve of the original thirteen and others, negotiations took place between them and a high ranking delegation from the "Popular Movement for the Revolution" (MPR), the only party admitted by the 1974 Constitution. The negotiations broke down, because the UDPS insisted on recognition as a party, while the regime was willing only to admit an internal party opposition, incorporated into the MPR. The party founders were rearrested soon after and, in June 1982, sentenced to 15-years' deportation for attacks on the security of the state. On the occasion of the award of the rank of marshal to Mobutu in May 1983, they were freed under the terms of a general amnesty without having agreed to any concessions whatever. They continued their oppositional activities, and some of them were therefore banished to remote villages in November 1983. However, shortly before the 25th anniversary of independence (in early summer 1985), they were freed once again. Five of the seven politicians banished in June 1985 were members of the original thirteen.

Some observers judged the new repressive measures against dissidents to be a sign that Mobutu who had seized power in a coup in 1965, felt challenged by growing public dissatisfaction. We should not conclude, though, that the rule of pro-Western Mobutu is in imminent danger. In the past interested opponents and observers frequently speculated that the authoritarian and corruption-ridden regime was about to collapse. They were always wrong. People familiar with the situation in Zaire repeatedly pointed out that nobody except Mobutu is able to guarantee the cohesion of this country--it has almost 10 times the area of the Federal Republic of Germany and only just over half the FRG population and, in the early days of independence (obtained in 1960) was threatened by several attempts at secession--and a minimum of internal peace and stability. The definitely greater public dissatisfaction of recent years is most likely due to the austerity program--imposed as the result of the demands by the International Monetary Fund (Zaire's foreign debts amount to about \$5 billion, and debt service swallows almost half the budget). The austerity program worsened the plight of many sections of the people of this country that is potentially wealthy due to its natural resources.

The UDPS opposition party is said to have the blessing of the Catholic hierarchy but does not amount to a mass movement. Up to now it did not really aim to overthrow the regime but to bring about comprehensive reforms. As all its earlier efforts at a dialogue have come to nought, the opposition party now says that a future dialogue will be possible only within the framework of a general national conference of reconciliation in a neutral venue. It also believes that various prior conditions need to be met: A solemn declaration by the head of state with the pertinent constitutional consequences, the guarantee of human rights, the admission of three political parties and the change of the office of national president so as to become a neutral and above-party office. A transitional government of all legitimate parties might emerge from this conference, and this would then have to draft a new constitution to be confirmed by a referendum. Elections would subsequently take place, supervised by the United Nations.

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CSO: 3420/12

SOUTH AFRICA

VIOLENCE, TERRORISM SEEN BACKFIRING ON LEFTIST PARTIES

Cape Town DIE BURGER in Afrikaans 31 Jan 87 p 10

[Column by "Dawie": "The Whites 'Must Bleed' : Violent Politics an Issue in Election"]

[Text] The announcement of the election date, 6 May, goes hand in hand with red hot news about a point of dispute that is going to be one of the burning issues of the election: the ANC and violent politics.

The bloodthirsty remarks of Mr Oliver Tambo on his controversial visit to America have hit the leftist apologists for the ANC like a water cannon.

Handicap

When the NEW YORK TIMES, high priest of American East Coast liberalism, publishes a critical interview with Mr Tambo, and the WALL STREET JOURNAL simultaneously speaks out against such a terrorist, it becomes somewhat difficult to depict the ANC as an innocent "nationalist liberation movement" that has "unfortunately" turned to violence.

It was precisely the ANC's links to violence, as well as its communist ties, that were an insurmountable handicap to Mr Tambo while he was in America.

In a widely noted report, the NEW YORK TIMES said that Mr Tambo had defended the random killing of South African whites in an interview, because it "gives hope to the blacks and will make the white people used to bleeding."

These coldblooded remarks were publicized on TV and in a number of newspapers after the minister of law and order, Mr Adriaan Vlok, gave permission.

Comical

The way some Prog newspapers ignored the news is, however, something really comical.

Such Prog newspapers, always resolute about the "public's right to know," apparently simply did not find it possible to expose their readers to such hard facts.

Some of those newspapers have previously painted a sympathetic picture of the terrorist movement that simply does not jibe with the necklace murders, the limpet mine and landmine explosions and the hand-grenade and machine-gun attacks of the ANC.

Is suggestio falsi now being followed by suppressio veri?

#### International

This is a matter for which the leftists will be held to account in the election campaign, because the Prog press, notwithstanding open sympathy for the radicals, has already plunged into the fray on behalf of Mr Colin Eglin and his followers.

Neither will the defense that there is "another side" to the ANC that is not heard do much to help. Is that any justification for suppressing the latest alarming statements? And why the silence about the sharp criticisms of the Tambo visit by American senators, for example.

The violent aspects of the ANC have in reality become such an international bone of contention that it is an open question whether the present prohibition of ANC statements has not actually become counterproductive.

In responsible circles it is already believed that South Africa is practically in a state of war with the terrorists. Isn't it better, then, that the public should continuously be more fully informed about what the terrorists say, as is now the case in America?

In other words, should the ANC not rather be treated like an enemy in wartime, so that the country knows precisely what that enemy is up to?

#### Communists

Greater frankness can scarcely help the leftists who are now so sympathetically disposed toward the ANC.

The Progs, with their dubious reputation on security, are especially afraid of an open debate about the terrorist movement.

Their hard leftists want to do away with the restrictions on the ANC, so that it can operate openly here. This immediately raises the question of whether that should also apply to the Communist Party. Some leftists want to unban the SACP, of course, but do all Progs want this done?

It is to be hoped that this question will receive plenty of attention in the election campaign, because the approaches of the different parties to violent politics will determine the future of the country.

The far-rightists cannot evade this question either, because in a war of insurgency the answer is only 20 percent military and 80 percent political.

## Patriotism

Political reform offers the best hope of defusing this situation--and the National Party offers itself as a reform-minded party, which simultaneously guarantees security.

The far-rightists' flights of fancy about "heartlands" and a multitude of governments in one country hold out no hope, however, of their being capable of instituting reforms in which a common patriotism can overcome sharp divisions.

12906/8918

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SOUTH AFRICA

COLORED MP'S INCREASED SUPPORT FOR GOVERNMENT NOTED

Cape Town DIE BURGER in Afrikaans 15 Jan 87 p 12

[Editorial: "Colored MPs at the Border"]

[Text] The first official visit of Colored MPs to the operational areas has already taken place. The group of 40 returned with new insight.

Not only did they see how the revolutionary onslaught against South Africa is being confronted. They also saw how their Colored compatriots are standing firm in the struggle against the country.

One visitor said that the group had clearly come to the realization that the struggle is not against apartheid, but against communism. Another said frankly that the Colored people support the army and that the army can depend on the Colored people.

This bears eloquent witness to the increasing realization on the part of more and more people that the country and all its people are facing a common enemy and that all South Africans have a responsibility to help defend the country.

Military service is voluntary for Coloreds, but the tremendous support given the Cape Corps--there are regularly far more applicants than can be accepted--shows that Colored people can also make their contributions to national security and wish to do so. They regularly serve on the frontier, and some of them have already made the supreme sacrifice.

The group of MPs who have just visited the operational area can help build up the image of the army and its important work. This is essential, because only a strong army with a firm grip on the enemy who threatens us all can create the climate at home in which the government can carry on its reform policy. Only in such a climate can the broad evolutionary development of democracy for the benefit of the country and its people occur--a process the enemies of South Africa seek at any cost to hinder precisely by their violent action.

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BROEDERBOND, NG CHURCH TERMED AFRIKANER FREEDOM 'PALLBEARERS'

Pretoria DIE AFRIKANER in Afrikaans 4 Feb 87 p 5

[Article: "Broederbond Pallbearers of Afrikaner Freedom"]

[Text] The Afrikaner Broederbond have become the pallbearers of Afrikaner freedom and the NG [Dutch Reformed] Church the football of people who want to make it the agent of spiritual change.

This sharp criticism is made by the Afrikaner Volkswag in its most recent circular to members.

In the circular the Volkswag singles out a number of issues that now call for attention:

--the nationwide state of emergency is heightened by emergency measures surrounding black schools, and restrictions on the news give an impression of peace and quiet so that there is even talk of the revolution that has been contained. A false sense of security is thereby created that promotes relaxation;

--the economy has collapsed and prospects coupled to an upward trend in the price of gold may give a very superficial impression of improvement, while the white is in the process of being drastically impoverished. This makes us internationally vulnerable and leads increasingly to unemployment, as well as to robbery, theft and assault;

--isolation and sanctions make a joke of the "far-reaching reforms" already instituted in our country; the fact is that nothing short of handing over power to the black majority will satisfy the outside world;

--the government is unavoidably headed for majority rule, hoping to ensure guarantees for the white. This results in yet further false hopes;

--the Afrikaner Broederbond and other cultural organizations have become the pallbearers of Afrikaner freedom. Hope is vested in a multiracial confederacy in which the Afrikaner becomes a powerless minority without the will to fight for his survival;

--the Dutch Reformed Church has become the football of people and forces that want to make it the agent of spiritual change;

"The general election has been announced, as it is said, to obtain a verdict on the role of 'ongoing reform.' To obtain the cooperation of the blacks, various proposals have already been made to them: They have been offered participation in the President's Council, a forum and recently the Constitutional Council has been proposed. The black leaders have repeatedly rejected this contemptuously, simply because it does not make provision for handing over power to the blacks.

"What is white opinion being tested for? To ascertain whether they are willing to live under a parliament with a majority of black members and a black state president, with 'power so devolved' that it makes no difference who is state president. Are we once again to be promised a magic formula that will prescribe guarantees for minorities to a majority government? Or are the voters going to be misled by the public media that have become part of a great propaganda machine into believing that what is possible nowhere in the world can work in South Africa?

The Volkswag calls on Afrikaners to be active members of their churches. Attempts to change the nature, character and composition of the NG Church among others must be averted by conscious action. Afrikaner power must be consolidated on the political level. One common goal must be striven for now, and that is to smash the present constitution and reinstate South African politics on [an Afrikaner] people's basis. "This conviction must be reflected by letting Afrikaners know that they are in fact united in their struggle for a land of their own under a government of their own. This struggle is stronger than our differences and we must demonstrate that," the Volkswag declares.

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INDABA SEEN AS VALUABLE START TO GOVERNMENT BY CONSENSUS

Cape Town DIE BURGER in Afrikaans 4 Feb 87 p 10

[Editorial: "The kwaNatal Indaba"]

[Text] The first official reaction of the government to the kwaNatal Indaba's constitutional proposals is anything but the hidebound resistance ascribed to it by certain quarters since the report appeared. On the contrary, the government regards Indaba as an important exercise in the development of consensus.

Minister Chris Heunis made it clear in the No Confidence debate yesterday that the government admittedly does not believe that sufficient protection against group domination is contained in the proposals. There are also certain matters, for example the financial implications, that are inadequately addressed or not taken into account at all. A number of important premises of the Indaba are, however, accepted.

It was scarcely to be expected that after only 8 months or so of deliberations the Indaba would succeed in hammering out a democratic constitutional framework satisfactory to all population groups, but the Indaba plan can nonetheless serve as a basis for further negotiations. The creation of a joint executive authority for kwaZulu/Natal has much to offer here.

It is instructive that, according to Chief Minister Mangosuthu Buthelezi, neither the kwaZulu government nor Inkatha has in any sense accepted the Indaba proposals. Both played leading roles in the Indaba, but they believe that the proposals must first be studied and their implications subjected to "broad disucssion."

Besides the white political parties have been expressly asked not to make a political football of the Indaba proposals for their own advantage. This request is most likely the result of the attempts from the outset of the Progressive Federal Party and the New Republic Party to cash in on the Indaba politically, especially after the National Party in Natal spoke out on the inadequate protection of minorities.

This position was used ostensibly to show that the government is not serious about power sharing. But why then are the Zulu government and Inkatha, unlike the PFP and the NRP, cautious about committing themselves helter-skelter to this specific plan for power sharing on a regional basis?

An obvious reason is that the Zulus as a group want to be sure that their interests are effectively protected. But there are also other groups entitled to protection against domination. The government cannot evade its responsibility to them.

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## RAPPORT EDITOR RESIGNS OVER POLITICAL PRESSURE

Cites Constant Clashes With NP Politicians

MB071525 Johannesburg SAPA in English 1510 GMT 7 Mar 87

[Excerpts] Johannesburg, 7 Mar (SAPA)--The managing editor of the Afrikaans Sunday newspaper, RAPPORT, Dr Willem de Klerk resigned today because of constant clashes with National Party politicians and criticism from the newspaper's board of directors.

Dr De Klerk who is the brother of the minister of national education and Transvaal leader of the National Party, Mr F. W. de Klerk, said that recently and during the past 2 years he had had several confrontations with NP politicians and it had been made clear to him that his political insights, accents, arguments, and appeals had aroused opposition in the party.

"This intolerance and rejection of criticism and investigative journalism and reasonable political reportage inhibits my political freedom, integrity, honesty, and openness."

Dr De Klerk said he still believed the NP had the opportunity to bring about real reform but certain of its policies and style would have to be steered in a new direction. He could understand the emotion behind the independent and alliance movements but believed there was still too much vagueness about them for them to be tested.

Dr De Klerk published the following statement today.

"I asked the chairman of RAPPORT to let me resign as managing editor of RAPPORT as from today. It is my own decision. I have not been asked to do this.

"This permission that I may bring forward my retirement was already granted by those concerned about a year ago.

"I am making use of this opportunity for two reasons in particular:

"-- The vague, generalised and continuous criticism of key members of the board of directors, that the plateau reached in RAPPORT's circulation and

other problems are mainly due to my editorship, has been so offensive that self-respect has forced me to leave.

"With an imminent increase in circulation and progress of RAPPORT now expected, I could have handled the criticism.

"-- However, there is also a decisive political reason for my resignation.

"With several confrontations in the past 2 years and more recently, I am being placed under increased pressure from NP politicians.

"It has been made clear to me and I have also been told that many of my political insights, accents, arguments, and appeals have aroused resistance among the NP politicians. This also relates to some general political reports and political background articles in RAPPORT.

"This interference and rejection of criticism and investigative journalism and reasonable political reportage inhibits my political freedom, integrity, honesty, and openness."

"It has been an exceptional experience and opportunity to have been editor of RAPPORT. I thank my directors, management, personnel, and readers for their sustained support.

"I have not yet made any decisions or entered negotiations over furthering my career. I hope there will be new opportunities ahead."

#### RAPPORT Director Expresses Regret

MB071729 Johannesburg SAPA in English 1718 GMT 7 Mar 87

[Excerpt] Johannesburg, 7 Mar (SAPA)--The directors of the Afrikaans Sunday newspaper RAPPORT tonight expressed their disappointment at the resignation of their editor Dr Willem de Klerk.

Dr De Klerk said today he had decided to resign because of interference in the running of the paper by Nationalist politicians and criticism from the directors about falling circulation.

"The directors have taken note with disappointment of Dr De Klerk's decision. We thank him for his important service to RAPPORT," said the chairman of the board of directors, Dr Willem van Heerden, in a statement.

It is so that there had been a drop in the newspaper's circulation which naturally required the attention of the directors.

"But it was not the intention to make personal accusations. The directors felt all staff involved--editorial, circulation, and management--should address the situation," the statement said.

It added that circulation had improved markedly as a result of steps taken by Dr De Klerk and other staffers.

"It is also so that there have been political problems, especially because it was felt that, during the election campaign, RAPPORT should concentrate less on differences in emphasis or even individual policy deviations."

Dr Van Heerden said it was felt the spotlight should have focussed more sharply on the "extreme importance of this election for the government's programme of orderly and constitutional reform and through that for a stable South Africa."

#### P. W. De Klerk Comments

MB081634 Johannesburg SAPA in English 1628 GMT 8 Mar 87

[Text] Pretoria, 8 Mar (SAPA)--The cabinet minister brother of Dr Willem de Klerk, the editor of RAPPORT who resigned today because of constant clashes with National Party politicians and his directors, said the editor's statement was "already being misused in the propaganda onslaught against the NP and its leaders."

In a statement in Pretoria, Mr F. W. de Klerk, leader of the NP in the Transvaal and minister of national education, said the slanted and untruthful image of a National Party standing back from reform was now being coupled to his brother's resignation.

"The NP has no comment on Dr De Klerk's references to the directors of RAPPORT... We were not involved there."

Mr De Klerk said he himself obviously did not want to comment on his brother's actions.

"He deserves respect as a journalist of format.

"Throughout my political and his journalistic career, we have as brothers avoided public debate.

"We do not attack each other, defend or promote... As far as politics were concerned, each was totally independent of the other and we still respect this independence.

"I chose that this remain so," the minister said.

Dr De Klerk's references to the National Party did however require a response.

"There is appreciation for the positive support of the NP by him and RAPPORT.

"The NP understands the need for exploratory and critical journalism."



Mr De Klerk said there was in fact reason for dissatisfaction with RAPPORT, from NP's viewpoint.

"There was from time to time a lack of objectivity and understanding in reportage, comment and by guest writers of the problems the government is wrestling with.

"Unnecessarily sharp and even unreasonable criticism was not excluded, and RAPPORT's style also gave offence on occasion."

It was therefore not strange that there was sometimes sharp reaction and representations from the NP.

"When a newspaper supports a particular party, it is natural that the party take steps when it feels that support is one-sided or even counter productive."

Mr De Klerk said he did not want to digress on the issue of specific pressure on his brother, "because I was not involved."

It was the NP's standpoint that a friendly but frank relationship should exist, particularly between that section of the press that supported it.

"Dr De Klerk's press statement is already being misused in the propaganda onslaught against the NP and its leaders.

"The slanted and untruthful image of an NP that is backing away from reform is now being coupled to his resignation."

In view of this, Mr De Klerk said he wanted to state categorically the NP was committed to real, dynamic and orderly reform at all levels of society.

In the constitutional arena, the principle of power-sharing without domination by any group over another, was accepted by the NP.

Powersharing on a basis which could lead to domination through a majority was rejected as this would lead to chaos and a loss of freedom and self-determination.

"The maintenance of an own community life for the different communities in our country is a prerequisite for freedom.

"To want to destroy this is not reform but looking for trouble and unrealistic day dreaming."

Mr De Klerk said a sound victory on 6 May would place the NP in a position to continue the reform path it had chosen in a balanced way.

This was why a mandate was being asked for from the voters.

Ex-RAPPORT Editor Explains NP Pressure

MB081959 Johannesburg Television Service in Afrikaans 1800 GMT 8 Mar 87

[Text] The leader of the NP in the Transvaal, Minister F. W. de Klerk, says the resignation of the editor of the Sunday newspaper RAPPORT, Dr Willem de Klerk, was not the result of pressure from the party. Minister De Klerk, however, admitted that the NP was not happy with the political direction of the newspaper under his brother's editorship. The management of RAPPORT has also confirmed that there were political problems. In an interview with Freek Robinson, Dr De Klerk enlarged on the kind of pressure from the NP which he experienced:

[Begin video recording] [Robinson] Could you ~~say what~~ kind of pressure, and from whom?

[De Klerk] The pressure was to the effect that RAPPORT should function much more strongly, politically, to the advantage of the NP, and that things which could harm the NP should be underplayed in the newspaper.

[Robinson] But was the impression created that you were working against the party?

[De Klerk] I don't know if that impression was created. My norm, as editor of the newspaper, was to follow the news direction of the day, and of the moment, and of the week. And when the direction of the news direction brought trends which differed from those of the NP, it is the duty of a newspaper to bring this to light.

[Robinson] It seems you said in your statement that your integrity as a journalist editor was put under pressure and doubt.

[De Klerk] Yes, I do believe so. RAPPORT is not an NP organ, or the organ of any political party. It is a newspaper which wants to promote reform politics and which is antirevolutionary, and the judgment of an editor about political objectivity and political fairness is something which has to be left to him alone.

[Robinson] But that seems to be your interpretation. From the statement by the directors, it seems they wanted more emphasis on the policy of the party and less emphasis on deviation and opposing proposals.

[De Klerk] It is certainly the right of the directors to want that. It is not my fault if the NP is not in the news on a Saturday. I believe the newspaper was fair to all political parties, that it treated the NP's case sensitively, but that news cannot be suppressed, or distorted, or underestimated.

[Robinson] Doctor, about the future, it seems from your statement that you are still a supporter of the NP, but opposition parties and the newspapers

want to place you in a different category, as though you now wish to move in a different direction.

[De Klerk] I believe the NP must try to accommodate the movement to its left. If it can do so, that would be the best thing which could happen, as it could be the instrument for change. But if the NP does not succeed in accommodating the new movement on its left, and making them feel at home, then I believe the NP will lose much support. And, if it cannot provide a home for these other trends, then I personally will not feel at home in the NP. [end video recording]

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PFP SEEN STILL SUFFERING FROM SLABBERT DEPARTURE

Cape Town DIE BURGER in Afrikaans 4 Feb 87 p 10

[Column by "Dawie": "Slabbert's Legacy: Why Progs Look So Gloomy"]

[Text] The gloomy beginning of the No Confidence debate in the House of Assembly finally emphasized what a pitiful legacy Dr Van Zyl Slabbert left the official Opposition when he ingloriously resigned as Prog leader and turned his back on both the House of Assembly and the parliamentary system.

The mantle of leftwing leadership was taken over from him by the previously rejected Mr Colin Eglin, of whom let it not be said that he can talk fire into a political machine that has already been warmed up.

In the No Confidence debate Mr Eglin droned on like a cicada with the same kind of birdshot attack on the government that has brought about the downfall of practically all his predecessors as leaders of the Opposition.

Jeremiads

No focus on specific actual or alleged weak points in the government's operation, but a monotonous piling up of charges and jeremiads that eventually was simply boring.

Mrs Suzman

Nonetheless, this is what the great white hope of the leftists looks like, the man who had to succeed Dr Slabbert after that "new Jannie Smuts," the darling of the Prog press, shocked his soulmates to their toes by simply walking away and turning to extraparliamentary politicking.

That shock that struck the PFP out of the blue last year is made worse by the comical motives Dr Slabbert offered for it.

First he balmed the government because it was not carrying out Prog policy. Even in the Prog press that elicited the wry comment that this was on a par with expecting Mrs Thatcher to resign as British prime minister because she is not implementing a socialist policy.

Then there was a revealing tape episode when Dr Slabbert laid the blame for his failure on President P.W. Botha. When President Botha made public the transcription of their taped conversation, it appeared that Dr Slabbert rather agreed with the state president's views! On top of that, he got at the ANC, which leftist Progs so badly want to derestrict.

The former Prog leader's motion of no confidence in Parliament also aroused mistrust among his fellow Progs. Observers subsequently reported that Mrs Helen Suzman, who had to defend her continued participation in Parliament in newspaper articles, walked past Dr Slabbert cutting him dead.

#### Pieces

The destructive verdict Dr Slabbert and the equally leftist Dr Alex Boraine delivered on the PFP by throwing in the towel was put into even sharper perspective when the dejected party had to cast about for a new leader.

In the entire left-wing establishment, talent was so sparsely sown that the Progs had to fall back on a man they themselves had rejected a while before, Mr Eglin.

This veteran, who described himself as a "retreaded" leader, was called back to help pick up the Prog pieces.

Among those pieces is a boycott policy, which in the case of the President's Council has shown itself to be disastrous. Likewise vain attempts to launch a national convention.

And then there is Dr Slabbert's notorious "balance of power campaign"--in which growth on the far right was depended on to give the PFP the "balance of power" in Parliament, so that it could become the political tail that wags the dog.

#### Little Calculations

Such little schemes are not yet dead, if notice is taken of what is going on in the PFP and the obliging Prog press, which is all of a sudden once again fighting the election on behalf of the Progs as though their lives depended on it.

This is proclaimed by the Progs' marriage of convenience with the once-hated New Republic Party, which until recently could scarcely be sufficiently maligned.

Moreover little calculations are being diligently done as to how many Nat seats the PFP may pick up if the far-rightists put on a "good" performance in three-cornered contests.

## The Far Right

It is hard to believe that the voters will not see through such political cynicism.

Similarly they are going to hold the PFP under its uninspiring leadership to account for its spineless willingness to capitulate. Moreover the division among the Prog rank and file over the ANC, the communists and security measures offers no guarantees for the security of the country.

Above all, the Progs are not fighting the election to offer a better alternative to the Nats, but prevent the far-rightists from supplanting them as official Opposition, no matter at what cost. Who can have any confidence in such a party?

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HNP FAILS TO RESPOND TO CP UNITY OFFER

Statement Issued by CP Leader

MB112054 Johannesburg SAPA in English 1905 GMT 11 Mar 87

[Text] Pretoria, 11 Mar (SAPA)--The Conservative Party today made an offer to the Herstigte Nasionale Party, though by this evening the HNP had not responded to the offer, a statement from the CP said tonight.

Thee statement, issued by CP leader, Dr Andries Treurnicht, said "On the assumption that the HNP binds itself to the CP by the end of this year," the CP offered 10 "good" parliamentary seats to the HNP.

"The HNP will identify their 10 candidates for these seats according to the motion of the AWB," the statement said.

Furthermore, the CP would not oppose the HNP in those seats where the HNP presently had nominated candidates and where the CP had not nominated candidates, the statement said. In all seats where no right wing candidates had been nominated so far, the HNP might nominate their candidates.

The CP undertook to "fully support" the HNP in all the above mentioned seats.

The following seats were handed down to the executive committee of the HNP which held a session this afternoon in Pretoria: Sasolburg, Roodeplaat, Rustenburg, Pretoria West, Pretoria Central, Vryheid (Natal), Virginia, Kempton Park, Queenstown, and Kingwilliamstown.

The CP said they had requested the HNP to reply to their offer before 7:30 pm today, but as no "conclusive" reply was received before that time, the CP called upon its candidates, workers, and supporters to carry on with the election campaign against the National Party, the statement said.

Election Pact With HNP Dismissed

MB121133 Johannesburg Domestic Service in English 1100 GMT 12 Mar 87

[Excerpt] The leader of the Conservative Party has finally rejected the possibility of any election pact with the HNP. Dr Treurnicht told our

political staff in Pretoria that the possibility of cooperation between the two parties was something of the past because of Mr Jaap Marais' rejection of CP proposals in this regard and his rejection of unity between their parties. He said he regarded his party's proposals to the HNP as reasonable. He says the HNP had only about 2 percent of the right-wing support.

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UDF LEADER ACQUITTED, OTHERS SENTENCED FOR MURDER

MB061900 Johannesburg SAPA in English 1840 GMT 6 Mar 87

[Text] Port Elizabeth, 6 Mar (SAPA)--A 17-year-old "comrade" gave clenched fist salutes and shouted political slogans in the Port Elizabeth supreme court today after he was sentenced to an effective 14 years in prison for his role in necklace murder.

The youth, a self-confessed United Democratic Front supporter and "comrade," was convicted of murder with extenuating circumstances in a case in which he was charged together with the regional president of the UDF in the eastern Cape, Mr Edgar Ngoyi, 62, and three others.

Mr Ngoyi and Mr Lulamile Cyril Mkalipi, 22, were found not guilty of murder earlier this week, and discharged. Sentenced with the youth were Fumanekile Siyoni, 21, and Xolile Pete, 20, who were both convicted of assault and sentenced to an effective 2 years imprisonment each.

The case was a sequel to the necklace murder of Mr Phakamisa Peti Nogwaza in KwaZakhele on 8 June 1985.

The court heard that the youth had a previous conviction for malicious damage to property for stoning Mr Nogwaza's home 2 weeks after his murder. He was sentenced to cuts for that offence.

Passing sentence on the youth Mr Justice R. A. Solomon said to kill a man was bad enough. The killing of a defenceless man by a group was worse. To douse him with petrol and set him alight was more horrible.

He said the youth appreciated that he was involved in a deliberate and calculated crime with full appreciation of the consequences.

The judge said the court noted that after the killing of Mr Nogwaza the youth continued his vendetta against the Nogwaza family by attacking their home. This was a clear indication that he showed no remorse for the killing of Mr Nogwaza.

"I may tell you it is only your age that has saved you from the death sentence," he told the youth.

He said it was unfortunate that the youngest of the accused before court had to bear the burden of a severe sentence for the crime.

He pointed out that similar offences where violence was involved in the township had been perpetrated by youths and older people did not suffer the consequences.

While the judge and his assessors were still sitting in court before adjourning the day's proceedings formally, the youth suddenly raised his fist and started shouting political slogans. He was joined by Siyoni and Pete.

A contingent of police briskly moved in and led them down the stairs to the cells below.

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SOUTH AFRICA

CISKEI DEPORTS TRANSKEIAN LECTURER, OFFICIALS

MB100517 Johannesburg SAPA in English 2056 GMT 9 Mar 87

[Text] East London, 9 Mar (SAPA)-- A social science lecturer at Fort Hare, Mr Basil Somhlahlo, has been deported to the Transkei.

This was confirmed today by Ciskei's deputy director-general of foreign affairs and information, Mr Headman Somtunzi. Mr Somtunzi could not say when Mr Somhlahlo had been deported.

Mr Somhlahlo's daughter, Miss Yoliswe Somhlahlo, said her father had been detained by the Ciskei police in January and had not returned home.

Mr Somhlahlo's deportation follows that of two senior officials in the Ciskei Department of Education, Miss N. Ncokazi and Miss L. Songca, who were deported in January. Both were related to senior Transkei politicians.

Several other Transkeians living in Ciskei have also been deported following the souring of relations between Ciskei and Transkei.

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SOUTH AFRICA

KWAZULU'S DHLOMO ON BUSINESS ROLE IN REFORM

MB070607 Johannesburg SAPA in English 0121 GMT 7 Mar 87

[Text] Pietermaritzburg, 6 Mar (SAPA)--The business community had a crucial role to play in ensuring black people are not driven into the "open arms" of Marxists and socialists, the Kwazulu minister of education and culture, Dr Oscar Dhlomo, said in Pietermaritzburg tonight. Speaking as a guest at the annual banquet of the Pietermaritzburg Chamber of Commerce, Dr Dhlomo said he had never come across a more "nourishing diet" for Marxism and socialism than exploitative and racial nature of capitalism in South Africa.

"The business community must begin to play a leading and constructive role in the socio-political life of our nation if they want to remain in business," Dr Dhlomo said. He pointed out that many companies in South Africa regard their workers as "mere cogs in an operation whose sole purpose is to maximise profits" and ignore the dehumanising migratory labour system, suspend workers' wages when they are detained without trial and in some cases quote laws from "apartheid statute books" to justify unfair labour practices. "It is on the basis of this apparently simple criteria that many black people judge the efficacy and viability of the free market economic system," he said. "If in black eyes the free market system is seen to be related to all that is unfair, greedy and inhumane, then immediately the future of that economic system is threatened in our country," Dr Dhlomo said.

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## SOUTH AFRICA

### BRIEFS

**TBVC STATES RECEIVE 17.5 MILLION RANDS**--Transkei, Bophuthastwana, Venda, and Ciskei [TBVC] received 17 1/2 million in development aid from South Africa in the 1986-87 financial year. The minister of education and development aid, Dr Gerrit Viljoen, said in a written reply to the PFP member for Johannesburg North, Mr Peter Soal, that Transkei had used the 5.6 million rands it had received to provide infrastructures for housing schemes and build schools in smaller towns. Bophuthastwana had received just over 11.8 million rands and Venda 2.9 million rands for the same purpose. Ciskei had been given 20.5 rands million to finance a number of projects. [Text] [Johannesburg Domestic Service in English 1100 GMT 6 Mar 87] /9599

**PAC MEETS UK GOVERNMENT OFFICIALS**--A Pan-Africanist Congress delegation has met with British Home [as heard] Office officials. A statement in London says the talks took place this week and the discussions covered a wide range of issues focusing on South Africa. The Foreign Office says it was not the first meeting of its kind, but in marked contrast to the British talks with the ANC, the PAC did not meet any government minister and the meeting got a low status. The Foreign Office says it was held in terms of its commitment to keep in touch with all shades of opinion and should not be seen as a move to give official recognition to the group. [Text] [Umtata Capital Radio in English 1500 GMT 6 Mar 87] /9599

**NO HOMES BUILT BY GOVERNMENT IN SOWETO**--House of Assembly, 6 Mar (SAPA)--No houses were built by the government in Soweto last year, the minister of constitutional development and planning, Mr Chris Heunis, said today in written reply to a question from Mrs Helen Suzman (PFP Houghton). A total of 2,008 homes were built during the year by private owners. [Text] [Johannesburg SAPA in English 1524 GMT 6 Mar 87] /9599

**BLACK UNEMPLOYMENT FIGURES REVISED**--The Central Statistics Services has revised its estimate of the number of unemployed black workers upwards from about 500,000 or 8 percent last October to 1.1 million or 18 percent at present. The director, Dr Treurnicht du Toit, says the latest figure was arrived at through the use of a new random survey based on the 1985 census figures. Dr Du Toit said the survey had taken into account factors such as the increase in the standard of education and training, urbanization, and industrial development, which led to changes in the structure of a population in a particular place. These changes affected the structure of the workers'

corps, and the measurement of the structure, and extent of unemployment.  
[Text] [Johannesburg Domestic Service in English 0500 GMT 7 Mar 87] /9599

PLANS TO UPGRADE ALEXANDRA TOWNSHIP--The government is to spend 75 million rand over the next 3 years on socio-economic development in the black township of Alexandra, near Johannesburg. The announcement was made by the administrator of the township, Mr (P. Saker). Work has already started on a sewerage system for the township, the first in 82-year existence of the area. As part of an urban renewal the new flats are being built. Old houses will be upgraded and new houses are being built. A year ago, Alexandra was one of the worst unrest troubled areas in the country, where a kangaroo court sentenced people to death by the necklace method. In a recent opinion poll, 87 percent of the inhabitants said intimidation in the township had declined and 92 percent welcomed the presence of the security forces. [Text] [Johannesburg Television Service in English 1800 GMT 7 Mar 87] /9599

ANC'S NZO SEEKS SUPPORT--The secretary general of the African National Congress, ANC, of South Africa, Comrade Alfred Nzo, has called on the international community to support the Frontline States and liberation movements in southern Africa in the face of South Africa's acts of destabilization and blackmail. Speaking in the Ghanaian capital, Accra, yesterday, Comrade Nzo warned that South Africa is likely to intensify attacks on neighboring states because of the political crisis within the Afrikaner front. He said that the racist regime is facing an irrevocable political crisis following the realization by the white population that there is no future in apartheid. [Text] [Harare Domestic Service in English 0500 GMT 8 Mar 87] /9599

LEBOWA TO ADMINISTER OWN TOWNSHIPS--Pretoria, 11 Mar (SAPA)--Lebowa will assume responsibility for establishing, developing, and administering its townships from 1 April. The minister of education and development aid (EDA), Dr Gerrit Viljoen, and Lebowa chief minister, Dr Cedric Phatudi, said in a joint statement in Pretoria today that these functions would be transferred from EDA. It was decided during talks in Pretoria this week that finances and staff be transferred to Lebowa for this purpose. [Text] [Johannesburg SAPA in English 1419 GMT 11 Mar 87] /9599

CSO: 3400/261

SOUTH AFRICA

COMMENTARY SAYS USSR TIGHTENING HOLD ON ANGOLA

MB090523 Johannesburg Domestic Service in English 0500 GMT 9 Mar 87

[Station commentary]

[Text] There is great enthusiasm in the Western media these days for the policies of liberalization that have been launched by the new leader of the Soviet Union, Mr Mikhail Gorbachev. So much so that the Soviet exile, Anatoliy Scharanskiy, recently remarked scathingly that Mr Gorbachev might well be using the services of a New York public relations firm--so successful was he being in bluffing the world. It was perhaps an overstatement. The Soviet leader, committed communist though he is, does seem to be determined to eliminate the worst excesses of the country's unbelievably inefficient civil bureaucracy and economic system.

Nevertheless the praise with which he is being heaped in some quarters as a liberal reformer by no means reflects the reality of what he is trying to achieve in the Soviet Union. It also holds the particular danger that it tends to be assumed that the liberalization policies are being pursued on all fronts--domestic and external--in Soviet affairs. That assumption is not only misleading but, for countries around the world that have been confronted in the past with aggressive Soviet activities, it is a real threat.

Judging by recent developments in Angola there is no question of liberalization of the Soviet policy of keeping tight control over puppet states, suppressing all opposition, in order to extend Soviet influence globally.

The evidence for this comes from no less an authority than Dr Chester Crocker, American assistant secretary of state, who has probably been more closely involved with Angola in the last 5 years than any other outsider. In testimony to Congress last week Dr Crocker admitted that his long drawn-out initiative to engage Angola's ruling MPLA in a negotiated settlement with UNITA had come to an abrupt end. After 3 years of progress in promoting peace talks, Dr Crocker said, Angola's rulers had withdrawn from the process and were now evidently intent on trying to destroy UNITA militarily. He himself had no illusions about the implications. Since there would be no outright military victory, the outcome would be misery and suffering for the helpless people of Angola.

For Dr Crocker, having to admit the failure of a peace initiative on which he has spent a great deal of time and energy since his appointment must have been a galling experience. For southern Africa that failure must contain a sobering message. The MPLA regime's dramatic reversal of its emerging stance on dealing with popular opposition coincides with the entrenchment of Mikhail Gorbachev in power in Moscow. The connection between the two is obvious, given the regime's dependence on Soviet and Cuban support to stay in power. And if the Soviets under Mr Gorbachev are tightening their hold on puppet states and moving more ruthlessly against opposition, there can be little doubt that they are more determined than ever to keep the Cuban troops in Angola.

The continued presence of these destabilizing forces in southern Africa is a factor no government can afford to ignore.

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CSO: 3400/260



COMMENTARY NOTES KAUNDA'S WILLINGNESS FOR TALKS

MB100528 Johannesburg Domestic Service in English 0500 GMT 10 Mar 87

[Station commentary]

[Text] Two proposals for talks with South Africa on the situation in southern Africa were made last week. Both emanated from Lusaka--one from President Kaunda of Zambia and the other from Sam Nujoma of SWAPO. It could be there is no link between the two.

Mr Nujoma's proposal was for talks with South Africa at any time, any place about the stalemate on independence for South-West Africa. There are good reasons for the SWAPO leader's call. SWAPO's prospects of victory in the terrorist war it is waging against the peoples of South-West Africa have never been bright. Today they are at a particularly low ebb. In the first 2 months of this year, a fifth of SWAPO's potential fighting force in the operational area was killed by counterinsurgency forces.

There are also good reasons for President Kaunda's call for talks with South Africa, a call that was more tentative than that of Mr Nujoma. The Zambian economy has been in a parlous state for some time, with the inflation rate, for example, being nearly treble that in South Africa last year. Having taken the bitter medicine prescribed by the International Monetary Fund, however, the economy now shows faint signs of gradual revival. The growth rate is moving up and diversification of the economy, and more particularly agricultural expansion, is slowly getting off the ground. At this point in time, therefore, Zambia needs to talk to her powerful economic neighbor and trading and transport partner--rather than to contemplate sanctions, which would bring an abrupt halt to any chances of economic recovery and plunge Zambia back into economic recession.

President Kaunda is particularly interested in helping to resolve the South-West Africa dispute. Again, he has good reasons for this. The instability created by the civil war in Angola has spilled over into Zambia, where there are nearly 100,000 Angolan refugees. Zambia, accordingly, has a direct interest in seeing an independence agreement reached on South-West Africa that is acceptable to all and that can serve as a first step towards creating greater stability in the southwestern quadrant of Africa.

President Kaunda, as the elder statesman of the black states of southern Africa, could play a role of great influence in respect of two vital issues that stand in the way of such an independence agreement--the refusal of SWAPO to talk directly to the democratic internal parties in South-West Africa, and the question of the withdrawal of the tens of thousands of Cuban mercenary troops in Angola. The state president, Mr P. W. Botha, and the Zambian head of state last met in April 1982.

Dr Kaunda's willingness for a new meeting is an acknowledgement of the fact that many of the problems of southern Africa can only be resolved through negotiation with South Africa.

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CSO: 3400/262

SOUTH AFRICA

SOUTH AFRICA FOUNDATION PRESIDENT CRITICIZES WESTERN SANCTIONS

MB110537 Johannesburg SAPA in English 0027 GMT 11 Mar 87

[Embargoed until 1000 GMT 11 March]

[Text] Durban, 11 Mar (SAPA)--It was the height of folly for the West to weaken South Africa's economy in any way the president of the South Africa Foundation, Dr Fred du Plessis said today (Wednesday).

Addressing the annual general meeting of the foundation in Durban Dr Du Plessis said that it should be the foundation's single-minded objective to persuade Western leaders that mutual interest dictated that South Africa should be re-absorbed into the Western system.

"If they have a 10-year vision of southern Africa as they would like to see it one would presume that it would in essence be the same as our own--a region already consisting of some 100 million people that will have developed economically on the Western pattern to the stage of at least being able to feed all its people and to have become firmly committed to the free world camp in the process. This desirable situation can come about only if economic growth in the region consistently stays ahead of the population increase and it is hard to see that happening in any of our eight neighbouring states without the economic engine that only South Africa can provide."

The morality of the sanctions campaign must be questioned and its hypocrisy exposed.

"Fortunately there are already signs in official circles abroad of second thoughts about the wisdom of sanctions," he added.

If the objective of sanctions was to nudge the South African government closer to power-sharing with blacks then sanctions have had the reverse effect, he said.

"To use an economic weapon as a means of politically persuading the South African Government was always ill-informed and perverse. The government has traditionally thought in political and social terms rather than in economic ones. Sanctions have therefore had predictable consequences. There is a strong sense, in the face of what is widely judged to be an irrational foreign

threat, that large sections of the electorate have rallied around the government.

"At a stroke sanctions solved its most pressing problem. Rather than weakening the government, sanctions have strengthened it--to the point that it has called a general election.

"What has been weakened, however marginally, has been the economy. The government's reform programme will now proceed at its own pace rather than at a pace reflecting a compromise with the pressures of its critics. The government senses its strength and will act confidently in suppressing violence and protest."

It had been the foundation's recent experience that there were second thoughts in policy-making circles abroad about the effects of sanctions.

"There can be no doubt that a large number of important people around the world have the uneasy feeling that an awful mistake has been made and that something has been set in motion that might have serious consequences for all concerned. There is widespread doubt and uncertainty as to what course should be followed as regards South Africa, and important people are seeking counsel, analysis, and advice. This offers an unprecedented opportunity to the foundation, he said.

"It would be wrong for South Africans to assume, as they increasingly are doing, that escalating sanctions are inevitable or even that sanctions need to be a permanent feature of relations with the rest of the world. There is a great deal of disquiet abroad and doors are open to those like the foundation, who can soberly assess the situation and the consequences of reducing ties with an area which remains of central concern to Western governments."

To make the most effective use of this opportunity the foundation would need closer-cooperation at a detailed level with those organisations that supported it.

Turning to domestic issues Dr Du Plessis said that critical choices had to be made.

"We cannot be blinkered to the fact that the problems that have so remorselessly plagued South Africa for the past 2 years--disinvestment and sanctions, internal unrest and violence, the enforced moratorium on foreign debt repayments and the drying up of foreign capital, the decline in the value of our currency, and fears of hyper-inflation, unemployment and lack of investor confidence, and finding ourselves in a state of emergency with severe censorship of the media--are all rooted in the political power struggle going on in our country.

"Clearly there is need for urgent and courageous action and for statesmanship of the highest order. South Africa's position in all the contexts I have just enumerated deteriorated still further in 1986. The government's

recognition of the need for action came already in 1982, when it split the national party on the issue and launched its reform programme. But notwithstanding some real fundamental changes in laws and attitudes, the programme's scope and implementation seem to have led to even more strife and disagreement in our deeply divided country and to have destroyed its credibility abroad.

"In these circumstances it is tempting for many South Africans to turn their backs on the world at large and to convince themselves that we can go it alone."

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CSO: 3400/262

SOUTH AFRICA

#### CAPE TOWN SEEKS APPROVAL FOR SCHOOL DESEGREGATION

MB061227 Johannesburg SAPA in English 1059 GMT 6 Mar 87

[Text] Cape Town, 6 Mar (SAPA)--The Cape Town School Board has asked the Department of Education to allow those peninsula schools wishing to open their doors to all races to do so. A motion to this effect was passed by the board this week.

According to the chairman of the school board, city councillor Mr Dick Friedlander, the motion refers to the fact that some schools in the board's constituency had tested the opinion of parents and had found them to be in favour of opening their schools. "We are asking the department to consider this decision and to implement it," he said.

He said that seven members of the board had voted in favour of the motion, one had voted against, and two had abstained. Two members were not present.

There are 32 high schools and 70 primary schools in the area controlled by the board. Of these, 12 high schools and 24 primary schools are either Afrikaans medium or dual medium. The total number of pupils in the area is 35,483, of whom 30,010 are English and 5,473 Afrikaans.

Mr Friedlander said parents of pupils in about 12 schools in the areas of Wynberg, Constantia, and Sea Point had indicated that they were in favour of "opening" their schools.

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CSO: 3400/260

SOUTH AFRICA

90 PERCENT FAVOR 'GRAY AREA' IN CAPE CITY

MB090457 Johannesburg SAPA in English 2204 GMT 8 Mar 87

[Text] Cape Town, 8 Mar (SAPA)--A petition circulated among white residents in Lansdowne, Cape, was signed by 889 residents which showed 90 percent of those interviewed were in favour of coloured families living there.

Miss Amelia January, one of the organisers of the petition, said her group spoke to 989 people, of whom 889 signed the petition to urge the government to allow Lansdowne to remain a grey area. A hundred people did not support the petition, which showed 10 percent were against the move.

Last month coloured families received letters from the Department of Local Government, Housing, and Works, stating that as the area has been "declared an area for the use of the white population group" and "as you are not a member of the said population group," the government "is prepared to purchase your property in order to enable you to acquire a property in an area which has been proclaimed for use by your population group."

The governments attempt to evict the same families from the homes early in 1984 was dropped after white Lansdowne residents signed a petition in support of those faced with eviction.

The minister of constitutional development and planning, Mr Chris Heunis, was not available for comment.

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CSO: 3400/260

BLACK SASH REPORT CRITICAL OF REFORM MEASURES

MB130635 Johannesburg SAPA in English 0611 GMT 13 Mar 87

[Text] Johannesburg, 20 Mar (SAPA)--For every person who has benefitted from the government's reform measures "there are many hundreds whose condition is immeasurably worse than it was a year ago--who are poorer, more frustrated and very much more angry," according to the Black Sash.

The warning was sounded at the Black Sash conference today in a report based on 16,181 interviews in the organisation's Johannesburg advice office. The report views the conduct of unscrupulous employers in addition to the failure of "reform" as joint causes of this growing anger. The repeal of the pass laws has not decreased the need for the Sash advice service, the report states. In fact the number of interviews conducted in 1986 represented an increase of 13 percent on the 1985 figure.

"There is an entirely new system of law but there is no real freedom of movement. There are new names to government offices but the same officials continue to deal with the public. The bureaucratic obstruction which we have complained about so often in the past continues unabated."

The report, written by former Black Sash president Mrs Sheena Duncan and a Johannesburg researcher, Ms Joy Harnden, makes a heavy attack on exploitative employers. "Deplorable employment practices continue. For every company which has an organised labour force and positive employment practices there must be 10 others which exploit their workers and cheat them of their legal rights," the report says. "Advice workers are astounded at the widespread evasion of legal obligations by employers and the amount of downright illegal behaviour. At least 46 percent of all problems presented in 1986 arose from unemployment." Employment complaints included:

-- 358 cases of abuse of workers--frequently featuring physical assault.

-- Unfair dismissals and retrenchments.

"People come to the office in a group to say they were told to leave without warning and without reasons being given and without proper pay. Others complain that they arrived at work to find the firm closed overnight, the doors locked and no one there to deal with. These 'fly-by-night' companies



are most difficult to trace. They leave their workers without UIF [Unemployment Insurance Fund] cards, without pay, without tax certificates, without redress," says the report. "Many workers get severance pay without any statement of a breakdown of the payment. 'We are paid from the till' and 'we are just given cash with nothing' are frequently heard from workers," says the report.

Pension fund inefficiency,. [sentence as received] Funds are struggling to keep pace with the demands on them, the report says. "Inefficiency heightens the retrenched and dismissed workers plight. People are faced with inordinately long waiting periods. Files are lost or destroyed.

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CSO: 3400/260

SOUTH AFRICA

DPSC CALLS FOR 'NATIONAL DETAINEES DAY'

MB091224 Johannesburg CITY PRESS in English 8 Mar 87 p 9

[Advertisement issued by the Detainees Parents Support Committee, DPSC;  
passages within slantlines published in boldface]

[Text] /NATIONAL DETAINEES DAY/

/Thursday 12th March 1987/

/9 MONTHS OF THE EMERGENCY/

/We the undersigned call on all concerned people to demand the immediate and unconditional release of the thousands of South Africans incarcerated in cells throughout our country./

- Since 12 June 1986 over 25,000 people have been detained.
- Of these approximately 10,000 have been children.
- Approximately 3,500 women have been held.

We don't know the full extent of the number detained because the minister refuses to reveal these figures:

The detainees have one thing in common: They are all opponents of apartheid and the nationalist government. Most of the detainees are voteless South Africans who are operating in democratically elected and popularly mandated structures. They are members and leaders of civic organisations, trade unions, youth students and womens organisations.

Unlike the current Nationalist Government the detainees represent the democratic will of the majority of South Africans.

1. Observing a national fast from sunrise to sunset on 12 March.
2. Lighting candles on the night of 12 March.

3. Attending the special meeting called by the Detainees Parents Support Committee.
4. Observing Sunday 15 March as a Day of Prayer for detainees.
5. Requesting church ministers on that day to dedicate the service to detainees.
6. Securing ways of putting pressure on the government to release detainees in weeks to come.

/END THE EMERGENCY!/

/RELEASE ALL DETAINEES!/

/Issued by:

DETAINEES PARENTS SUPPORT COMMITTEE/

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CSO: 3400/260

SOUTH AFRICA

NEWSPAPERS NOT TO BE PROSECUTED FOR DPSC ADS

MB071240 Johannesburg SAPA in English 1226 GMT 7 Mar 87

[Text] Johannesburg, 7 Mar (SAPA)--Two Johannesburg newspapers will not be prosecuted for contravening the emergency regulations for an advertisement and an article published yesterday calling for a "National Detainees Day," a police spokesman said in Pretoria today.

The police Directorate of Public Relations said in a statement shortly before midnight last night that any newspaper publishing advertisements or articles advocating a "National Detainees Day" would be infringing the emergency regulations.

The CITY PRESS yesterday carried an advertisement placed by the Detainees Parents Support Committee (DPSC) about the day.

THE STAR newspaper also published a story about the call by the DPSC.

A police spokesman from the directorate said today they would not be prosecuted as the SAP statement had been issued after the publication of the advertisement and article.

In their statement last night, the directorate said: "Legal advice obtained by the SAP indicated that the advertisement constituted an infringement of Regulation 3 (1) (H) read with Regulation 8 of the Regulations published by Proclamation 224 of 11 December 1986, as amended. All editors are hereby informed that in the case of publication of same or similar advertisements, the SAP will be obliged to act in terms of Regulations 6" of the emergency regulations. Regulation 6 empowers any cabinet minister or divisional commissioner of police to authorise the seizure of any newspapers or publications which contravene the emergency regulations.

A spokesman for the DPSC said today they had intended placing advertisements in several major newspapers a day before the "National Detainees Day," but "obviously we can't do that anymore in the light of the SAP threat.

A statement from the DPSC today said the imprisonment of its political adversaries and critics was high on this government's list of priorities. "The very voices that should be heard loud and clear are being stifled, and

the press is now being threatened not to support calls for the release of these prisoners of apartheid," the DPSC statement said. The committee said such actions are typical of a regime which rules by force rather than by the support of the population. "The DPSC will continue to press forward with what it regards as its right and obligation to fight political detention, and intends taking legal advice concerning the latest action by the police."

Mr Percy Qoboza, editor of CITY PRESS, denied in a statement today that the DPSC advertisement had been in any way "illegal."

He said, however, his newspaper "was today forced to withdraw an advertisement placed by the DPSC calling for the release of all who have been detained under the present state of emergency.

"We have not withdrawn it because it was illegal. It was not.

"We have done so because it was clear copies of the newspaper would have been seized and destroyed by the police."

Mr Qoboza said police threats of prosecution in terms of Regulation 3 (1) (H) were "outrageous, to say the least."

He said it merely calls for the release of detainees--"a legitimate thing to do and does not break any law."

The police had clearly decided that calling for the release of detainees was a "subversive" statement, Mr Qoboza said.

"In the coming weeks when the white election heats up, newspapers will be faced with the dilemma of hearing opposition parties calling for the release of detainees but dare not repeat that call in print.

"I have personally been outraged by the over-zealousness of the police and intend raising the matter with the conference of editors.

"We must clearly spell out to the minister of law and order, Mr Adriaan Vlok, that the implications of this latest move are to make South Africa unquestionably a police state," Mr Qoboza said.

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CSO: 3400/260

SOUTH AFRICA

SUNDAY STAR IDENTIFIES MAN BEHIND ANC AD

MB080824 Johannesburg THE SUNDAY STAR in English 8 Mar 87 pp 1, 2

[Article by Kitt Katzin and Sheryl Raine]

[Excerpts] "Mr Z," the mystery key figure mentioned at the Barclays Bank-ANC advertisement commission of inquiry, is a well-known and respected business leader in South Africa and abroad.

He is Mr Yusuf Surtee (35), managing director of the Surtee's clothing chainstore group, whose identity was shrouded in a web of mystery and intrigue in evidence given to the commission this week.

Mr Surtee, who has travelled widely, counts among his friends heads of state, ambassadors, senators, and politicians.

He has had breakfast at the White House in Washington and played tennis with the hierarchy of the Jimmy Carter administration.

Godfather to Mr Surtee's son, Mohammed, is Mr Andrew Young, former American UN ambassador.

Another close friend is Mrs Coretta Scott King, widow of the American civil rights leader Dr Martin Luther King.

Mr Surtee is known to be an avid supporter of Martin Luther King's philosophy of passive resistance and peaceful co-existence.

Mr Surtee, whose clothing firm is linked to the multimillion-rand Kharbai motor company, is the "Mr Z" who raised a R100,000 overdraft with Barclay's National Bank to pay for advertisements for the African National Congress on its 75th anniversary in January.

The role of "Mr Z" emerged in evidence to the one-man commission of the Judge President of the cape, Mr Justice C. G. A. Munnik.

At the hearing, Mr Justice Munnik ordered that "Mr Z's" identity, should not be disclosed.

But THE SUNDAY STAR has independently established "Mr Z's" identity and today publishes his name in the public interest on the grounds that his role in the loan transaction is well known outside the commission.

He is also expected to appear before the commission next week.

Barclays had recently taken over the account from a competitor.

In contrast to the secretive image created by witnesses in evidence to the commission, THE SUNDAY STAR has established that Mr Surtee is a well-respected, influential and popular figure in the business community throughout the PWV [Pretoria-Witwatersrand-Vereeniging].

Mr Surtee lives in Laudium, Pretoria.

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CSO: 3400/260

SOUTH AFRICA

PFP'S SUZMAN LAUNCHES PARTY'S CAMPAIGN

MB070958 Johannesburg SAPA in English 0949 GMT 7 Mar 87

[Text] Johannesburg, 7 Mar (SAPA)--South Africans, Black and white, had been programmed into accepted race discrimination, Mrs Helen Suzman, the Progressive Federal Party MP for Houghton, said at the launch of the PFP election campaign in Johannesburg today. Addressing the issue of getting rid of apartheid, she said years of conforming to apartheid laws would not easily be broken down. "Indeed, the truth is that apartheid will probably live on in South Africa even after those laws have been repealed." Mrs Suzman said it had taken a long time for the business community, the courts and sportsmen in South Africa to take action against the disastrous effects of apartheid.

Mrs Suzman said the success of the emergency in the government's terms had been at the cost of thousands of people detained without trial, losing their jobs, more than 2,000 deaths and uncounted injuries. In fact, she said, the maintenance for apartheid was inextricably linked "to draconian powers contained in the security laws."

The apartheid laws enacted over the past 40 years were unacceptable to the people to whom they applied--"people who have had no say whatsoever in the passing of those laws."

She said the Rev Allan Henrickse, chairman of the Minister's Council in the House of Representatives, who dared to challenge the Separate Amenities Act had resulted in a pathetic and short-lived act of defiance. [sentence as received] It resulted in "the most disgusting display of bullying and intimidation by (the state president, Mr) P. W. Botha that I have ever witnessed in many years of observing that gentleman. Indeed, that revolting display of his on television makes me wonder if he has not become politically unhinged. Whatever, he has brought ridicule on him at home and South Africa abroad."

The task of the PFP was to continue to expose all adverse effects of apartheid, fight racism, and create a climate essential for negotiation before the middle ground eroded away, she said.

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CSO: 3400/260



POLL SEES NO ELECTION HOPE FOR DISSENTERS

MB081044 Johannesburg THE SUNDAY STAR in English 8 Mar 87 p 1

["Election '87 Barometer" by Gary van Staden]

[Text] Independent candidates in the 6 May general elections had "little or no chance" of winning their constituencies and the so-called "New Nat" Movement was a phantom with little prospect of materialising.

That was the harsh judgment on independent candidates--specifically Dr Denis Worrall and Mr Wynand Malan--and the "New Nats" Movement by candidates, party workers, and officials from across the spectrum in the Barometer constituencies.

When the bulk of the Barometer research into the independents and the "New Nats" was conducted Dr Esther Lategan, the latest independent candidate to defect from the National Party, had not yet been named.

It is for this reason that most of the answers and observations on the independents relate only to Dr Worrall and Mr Malan.

While NP candidates and workers are obviously the least likely to concede that the independent candidates will make a significant impact or that the "New Nats" are a serious political force, the Progressive Federal Party and the Conservative Party are not convinced either.

"I have very little faith in this so-called 'New Nat' Movement and only a little more in the independents," Professor Abraham Viljoen, PFP candidate in Waterkloof, said on the subject.

"If a person is not prepared to take a step breaking with NP, a difficult step but one without which nothing else can happen, then I fail to see what use they can be after the election," Professor Viljoen said.

Other PFP workers, some of whom have vast political experience but spoke only on condition they were not named, said they were very concerned about "Nat MP's who are prepared to be verlig and in certain instances even express direct support for our policies, as long as it is done in secret."

The feedback from workers was that "secret" reformists would not help to win or make significant gains in the election.

"It is all too easy for a secret reformist to decide after the election that on second thoughts he will stick to the NP anyway," one worker said.

A CP official said the government was asking for the "biggest blank cheque" but that the "New Nats" and the independents were asking for the second-largest.

"They have so-far promised nothing but vague reforms. Where, exactly, do these people stand?" he asked.

Dr Ferdi Hartzenberg, deputy leader of the CP, said this week that the aura around the independents has been created entirely by the press and that the "New Nat" Movement seemed to consist of two or three Nat MP's whom the PFP would not oppose on 6 May.

These men, he said, were not "New Nats," they were PFP.

If feedback from the Barometer constituencies is summarised and generalised then the following points emerge:

The "New Nat" Movement--if it exists at all beyond three or four MP's--cannot be relied on to take a definite direction after the election because it seems to depend on what direction the electorate itself takes.

Party sources from across the spectrum in the Barometer constituencies say the publicity surrounding the movement has created the impression that the "New Nats" intend to follow the electorate rather than lead it and this does not inspire confidence among voters who are looking for strong leadership.

They said if the electorate showed an overall swing to the Right the New Nats would remain in the NP but if it showed a dramatic swing to the Left then they might resign and form a power block of independents in Parliament.

"Voters traditionally do not vote for people who follow the wind," a CP party official said.

Barometer political organisations concede that there exists a large section of the electorate, mainly on the Left of the NP and to a lesser extent on the Right of the PFP, who are seemingly uncommitted to any party at this point.

They add, however, that it would not be accurate to describe this section of the electorate as emerging "New Nats."

"It is a confused and apathetic electorate which is responsible for this trend," a PFP canvasser said.

NP workers and candidates have no doubt that this portion of the voting public, whom all concede are mainly NP supporters, will decide to vote for the NP.

There is some support for this belief from PFP workers. Professor Viljoen said he had encountered many voters in the Waterkloof constituency who said they would probably give the NP "one last chance" on 6 May.

"It is here that our greatest chance lies of taking this constituency (and others like it) from the NP. We have to work on these people very hard in the coming weeks, and try to convince them that the NP does not deserve another chance," Professor Viljoen said.

Barometer feedback also points out that there seems to be a measure of inconsistency in the PFP's attitude to which "New Nats" they would not oppose.

"They seem to be standing back for 'New Nat' candidates only in those constituencies they have no chance of winning or where the Right-wing parties look like making some gains," a senior CP spokesman said.

"In a constituency such as Benoni, where the PFP believes it has a very good chance, it has put up candidate against sitting Nat MP Johan Lemmer but has decided to pull out of Geduld, where it won't win, so 'New Nat' candidate Sam de Beer will have a better chance," the spokesman said.

"Yet both De Beer and Lemmer are very verlig and so the PFP should really have stood back for both if the policy were consistent."

Mr Lemmer has said he did not regard himself as any different to the Geduld candidate and that had Dr Worrall remained in the NP he could have gained valuable caucus support from "people like myself and Sam de Beer."

The independent candidates--doomed to follow the same path as other independent candidates in white South African elections, according to Barometer feedback.

"Independents traditionally have not enjoyed wide support in SA elections, and while there is no doubt that the current crop of independents has significant support, it will not be enough," Mr Lemmer, NP candidate for Benoni, has said.

This view found general support across party lines in the Barometer constituencies but there were dissenting voices, especially from PFP workers and candidates.

The general feeling was that any support the independent candidates gained would be from traditional PFP voters.

"The independents will gain only those former NP votes which would have gone to PFP candidates anyway," Mr Lemmer said.

He believed it was a serious mistake for people such as Dr Worrall to leave the party and he asked what they hoped to gain on the opposition benches.

Not a single party worker or candidate approached by THE SUNDAY STAR was willing to put his name to a prediction that Dr Worrall would win in Helderberg against Minister Chris Heunis.

"That is not the point," one PFP candidate said. "It is highly unlikely that Dr Worrall will win but he will gain significant support and send a powerful message to the NP."

The party workers, officials and candidates were only slightly more optimistic about the chances of Mr Malan in Randburg.

"I rate his chances, at best, as about 50/50," an experienced PFP campaign worker said.

There was also a general feeling that if Mr Malan did win it would be on a PFP vote only.

"He will get only as many votes as the PFP would have got," an NP source said, "and if the PFP were going to win Randburg this time when Mr Malan may win, if not he won't."

There was a minority feeling in the Barometer constituencies that some PFP supporters in Randburg would not support Mr Malan because he did not "go far enough."

This idea, however, did find much support as party workers in the PFP and, to a lesser extent, the NP, said PFP supporters would probably believe Mr Malan was better than having a Nat elected.

In summary, the Barometer feedback is that while there is no doubt a significant breakaway movement within the NP, there is some doubt about its appeal to grassroots NP supporters.

Even among those who believe the "New Nat" revolt is widely supported and larger than the NP will concede, the feeling is that this movement will not be of much help in this election.

"We may have to wait a few years before it really grips," a PFP worker said.

Other sources believe the movement could generate enough momentum, provided the electorate as a whole supported a move to the Left, for a new coalition of PFP MP's and some verligte Nat MP's to have an impact towards the end of this decade.

No-one is expecting great things from independents on 6 May.

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CSO: 3400/260

NUM URGES OFFICIAL INQUIRY INTO MINE SAFETY

MB091606 Johannesburg SAPA in English 1510 GMT 9 Mar 87

[Text] Johannesburg, 9 Mar (SAPA)--The National Union of Mineworkers today endorsed the attorney-general's decision to prosecute the management of Gencor's [General Mining Union Corp.] Kinross Gold Mine but said an official inquiry was needed to raise broader safety issues involved.

"The union accepts that the criminal prosecution is the forum for determining the guilt or otherwise of the mine's management. However, there are wider safety issues involved in the Kinross accident that need to be canvassed and debated in a public forum," said NUM's safety office Mr Hazy Sibanyoni.

He said the government mining engineer should call an inquiry into the cause of the accident in terms of Section 5 of the Mines and Works Act as soon as possible.

"The union further hopes that the decision to institute criminal proceedings will in no way be used to relieve the Mines Inspectorate of its obligation to hold an inquiry--a forum the union believes will help to unravel all the facts of the accident."

The union believed a commission of inquiry should be appointed to investigate questions of health and safety in the mining industry.

Mr Sibanyoni noted proceedings have not yet started in a case involving the death of 30 people in an accident at Middlebult colliery even though a decision has been made to prosecute the mine's management.

"Delays in the prosecution and enquiries do not promote the cause of safety in the industry," he said. He added that NUM was surprised the Kinross case was not sent to the Supreme Court as it involved the largest accident in the gold mining industry's history.

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CSO: 3400/260

SOUTH AFRICA

BRIEFS

EGLIN WELCOMES INDEPENDENT MANIFESTO--PFP leader Colin Eglin has welcomed the election manifesto released by the independent candidates. He called the statement a positive contribution to the political situation in South Africa. Denis Worrall, Esther Lategan, and Wynand Malan issued the police statement, which calls for, among other things, the easing of restrictions on black politics and the media. [Text] [Umtata Capital Radio in English 1400 GMT 9 Mar 87] /9599

WAGE HIKE AGREEMENT, STRIKE ENDS--Cape Town, 9 Mar (SAPA)--Striking workers at the Nampak plant in Bellville near Cape Town returned to work over the weekend after management and the Paper, Wood, and Allied Workers Union reached an agreement on wage increases, SABC radio news reports. A Nampak spokesman said all shifts were operating normally again. Last week, about 70 workers taking part in a site-in strike were arrested for allegedly preventing vehicles from entering or leaving the factory and intimidating non-striking workers. Their release without charges were arranged by the company. [Text] [Johannesburg SAPA in English 1445 GMT 9 Mar 87] /9599

CSO: 3400/260

## FOUNDATION OFFICIAL URGES ACTION ON U.S. SANCTIONS

MB110518 Johannesburg SAPA in English 0005 GMT 11 Mar 87

[Embargoed until 1000 GMT 11 March]

[Text] Durban, 11 Mar (SAPA)--South Africa had never faced a more dangerous threat to its relations with the United States than it will over the next 2 years, Mr John Chettle, Washington director of the South African Foundation said at the annual general meeting of the foundation in Durban today.

South Africa's opponents had targeted so-called loopholes in the earlier sanctions legislation, and were trying to stop the export of U.S. technology to South Africa.

In addition, they wanted to cut off further South African exports to the United States. They had already introduced legislation to cut off all trade, and hoped for some extreme action on the part of the South African Government which would cause revulsion in Congress.

Finally, they hoped that it would be hard to resist such extreme legislation when it was brought up for a vote just before the presidential election in 1988.

Mr Chettle warned against extreme reactions to this threat. In particular, he warned against the belief either that nothing could be done to stop such sanctions, or that sanctions could not hurt South Africa.

The answer was for South African businessmen to look after their interests just as American businessmen looked after theirs. They should become organised and lobby to protect their interests.

It had been reported, for example, that the South African lobster industry is still exporting to the United States, quite legally, by using a legal provision which determines the nationality of the fish by the registration of the ship which catches it.

There had never been a system so responsive to influence and pressures as that of the United States, or one where it was easier to participate in the legislative process, or even to overturn previous decisions. We should use the system to beat the system. As the secretary of state had said recently, no decision in Washington is ever final.

With foresight, resources, and skill, further sanctions could be defeated, and changes made even in those sanctions previously adopted.

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CSO: 3400/267

# MINING INDUSTRY CRISIS IN THIRD WORLD AFFECTING COUNTRY

Johannesburg THE STAR in English 31 Dec 86 p 8

[Text]

The minerals industry in the Third World is facing a crisis, and this has implications for South Africa.

This is despite developing countries having increased their share of world mine production in many commodity sectors in the past 20 years or so.

Weak economic conditions in industrialised countries during the past decade have limited demand for minerals in general.

This trend has been accentuated by technological developments curbing the need for minerals, as well as the growth of service industries which use relatively small amounts of minerals. Chronic over-supply for most minerals has meant prices have weakened considerably.

Quite apart from low prices, the minerals industries in developing countries have also become dogged by high domestic inflation rates which in turn have boosted the cost of investment projects.

The outcome has been low profit margins at best, and often operating losses.

The ability and willingness of foreigners to invest in exploration and development of mines has been substantially curtailed.

New investment projects have been dropped as the risks of political instability have added to the detractions.

Most large-scale mining projects which were developed in the 1970s have not fulfilled the financial expectations of governments, equity investors and bank lenders.

Several projects such as the Selebi Phikwe undertaking in Botswana have incurred large losses, and necessitated continuous debt restructuring.

Companies which have traditionally been willing to invest their own risk capital in certain developing countries have turned to carrying out exploration on a service-contract basis, particularly in petroleum producer countries.

Countries intent on having proven deposits developed are finding that companies ready to sell their services or equipment (management, technical assistance) abound, but that it is exceedingly difficult to get these suppliers to commit themselves by taking a substantial equity stake in mining projects.

The financing of projects by banks, the practice in the late 70s, has similarly become much more difficult to arrange.

The rising foreign debt burdens of Third World countries, and the frequency of debt rescheduling has made both banks as well as public sector institutions most wary of committing more funds to risky mining ventures, with ever less assurances of later sales of the minerals at prices necessary to repay loans.

Governments in developing countries face difficult policy choices in handling the repercussions for their hard pressed minerals industries.

One option is to postpone further mineral developments, except for minerals needed for domestic consumption, until a more propitious situation emerges.

This may take years to happen, and in the meantime many dormant, underused and run-down mining projects abound in these countries.



Rehabilitation efforts are under way, in some cases with help from foreign mining companies, but finance is scarce and the quality of labour and technical skills in some countries is questionable.

Another option is to establish even more extensive state mining sectors financed by domestic public funds.

Most developing countries have now established state enterprises that participate in, or even fully own and manage mining projects.

The wisdom of this policy, however, is dubious. Some of these state investments have proved singularly unsuccessful.

Some state companies have reacted to falling commodity prices by raising production, making matters worse by depressing prices even further, and forcing state treasuries to finance the losses of state mining companies.

Alternatively, governments can energetically encourage new private foreign investment. Here financial measures which reverse the trend towards higher taxation in the 70s, could be useful.

Yet in the light of prevailing poor commodity prices it is questionable whether financial incentives can attract significant new investments.

South Africa's mining industries in general are weathering the difficult marketing conditions for better than those in developing countries.

Fixed investment in mining has expanded in recent years, in contrast to the weakness in the manufacturing sector.

There are, nevertheless, strong grounds for arguing that official policy

should be geared towards encouraging greater investments in the South African mining industry.

For one thing the onset of sanctions, which are favoured by some developing countries partly because of the difficulties they are facing in selling minerals, are going to render South Africa even more dependent upon mineral exports.

Mineral products in general, and especially precious metals, are anonymous, and can largely circumvent sanctions, unlike manufactured products.

This alone suggests that any strengthening of the competitive position of the industry by such as fiscal incentives merits serious consideration.

Secondly, the South African mining industry is already facing increased competition in world markets from developing countries — especially gold.

Limited developments in the minerals industries in developing countries are concentrated to some extent on gold as evidenced by the growth in gold output in Brazil, Colombia, Philippines and Papua/New Guinea.

This is supplementing the expansion in areas like the United States and Australia.

South Africa's previously dominant position in the international gold market is being eroded.

Its influence in the gold markets is diminishing, and this may only serve to strengthen the sanctions campaign in the outside world.

So any steps which help to expand the South African gold mining industry should be viewed as beneficial, especially if new foreign investment is promoted in the process.

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CSO: 3400/166

NEED TO IMPROVE PRODUCTION SPURS MINING RESEARCH

Johannesburg BUSINESS DAY in English 12 Jan 87 p 9

[Article by Cherilyn Ireton]

[Text]

THE gold-mining industry has spent almost R200m (1986 terms) over the last two decades researching ways to improve stoping activities.

The investigations — led by the Chamber of Mines Research Organisation (RO) — were spurred by the need to increase production rates and improve labour productivity.

An inhibiting factor has been the cyclical drill, blast and scraping technology used by SA gold mines. As a result much of the research has been directed toward continuous methods of mining which will ultimately speed up the rates of face advance.

RO chief Horst Wagner says as the gold mines get deeper, these rates must increase to ensure a safe environment and working conditions.

"The method which has shown the greatest potential for achieving this has been the non-explosive method of rock breaking."

Coal mines have already switched to this method and now achieve face advance rates of up to 200 metres a month — 30 times higher than the rate being achieved on SA gold mines.

The gold mining industry rate is between 6 metres and 15 metres a month. To mine the required 100-million tons of ore each year, about 280km of stope face must be operated.

Present technology demands that blasting be done at a certain time of the day when the mine is evacuated. The stopes are then cleaned and holes drilled, charged and blasted in a cycle which

often takes more than 24 hours to complete. In most instances this cyclic activity is achieved only every two or three days.

"It was for this reason that the gold-mining industry decided more than 15 years ago that one of the approaches to improve labour productivity, maintain costs and improve safety in deep mines would be a programme of mechanising the stoping operations," says Wagner.

The method which appears to have the greatest long-term benefit is non-explosive mining.

In its search for the ultimate non-explosive rock-breaking system, the RO experimented with thermal shock, high pressure water jets and the use of mechanical tools. A mining method known as rock cutting was developed only to be abandoned in the 1970s when labour productivity became a key issue.

The industry then switched its attention to another mechanical method of rock breaking — based on an impact action.

Impact hammers, similar to those used for road building, were then designed and tested. "With the fractured rock found in deep-level mines, impact hammers can be used successfully," explains Wagner. While the overall results have been encouraging, there is still concern about the problem posed by the occurrence of some hard patches in the face. This issue will receive attention this year.

Another hurdle has been to develop equipment that has enough impact energy and that is small enough to fit into the narrow gold mine stopes. After much research and testing, the RO has come up with an impact hammer that can

break rock at a rate of about 10 square metres — or 30 tons — an hour.

Experimental mining systems have been under field trials for a number of years at the chamber's research site at the Doornfontein gold mine. In these experiments about 70 000 square metres — or 200 000 tons — of ore have been broken without the use of explosives.

This year a new prototype impact breaking system will be manufactured and put on trial at Doornfontein.

At the same time work on the impact hammers — the key element of the system — will continue. The aim will be to improve the reliability of the hammer.

Wagner maintains that if gold mines could install one impact hammer every 20 metres of stope, a face advance rate of about 20 metres a month could be achieved. This compares with the current industry average of 7 metres a month.

"If we could also then start mining around the clock, we could up the rate to about 40 metres or 50 metres a month," he says.

To develop an ideal stoping system, the RO was forced to embark on a wide range of peripheral research programmes. The two most crucial have been materials research and the development of a system to power the hammers.

Hydraulic power has been earmarked as being the only power suitable for the narrow stope faces. Traditionally, oil hydraulic or emulsion hydraulic systems have been used underground. These systems require underground power packs and pump stations to supply the mining systems with high pressure hydraulic fluid.

Now the RO is perfecting ways of utilising the pressure of water in the shaft to drive the machinery. This will have the twin benefits of providing power and water for the mine's underground cooling system.

"The major advantage of the hydro power concept is that you no longer require sophisticated power packs underground. All you need are pumps under-

ground to pump the water back to the surface. The actual equipment needed in stopes is then much simpler."

A trial system that has been operating at Kloof gold mine for a number of years has proven thus far to be quite reliable and safe.

Another research programme by the RO tackles ways to upgrade the materials used in the manufacture of underground equipment.

The high quartz content of gold-bearing ore demands that steels be resistant to abrasion, while the environment requires materials that can withstand corrosion.

Conventional steels normally possess only one of these characteristics.

"Several alloys have been developed — some of which have been produced in sufficient quantities to manufacture equipment for underground testing," says Wagner.

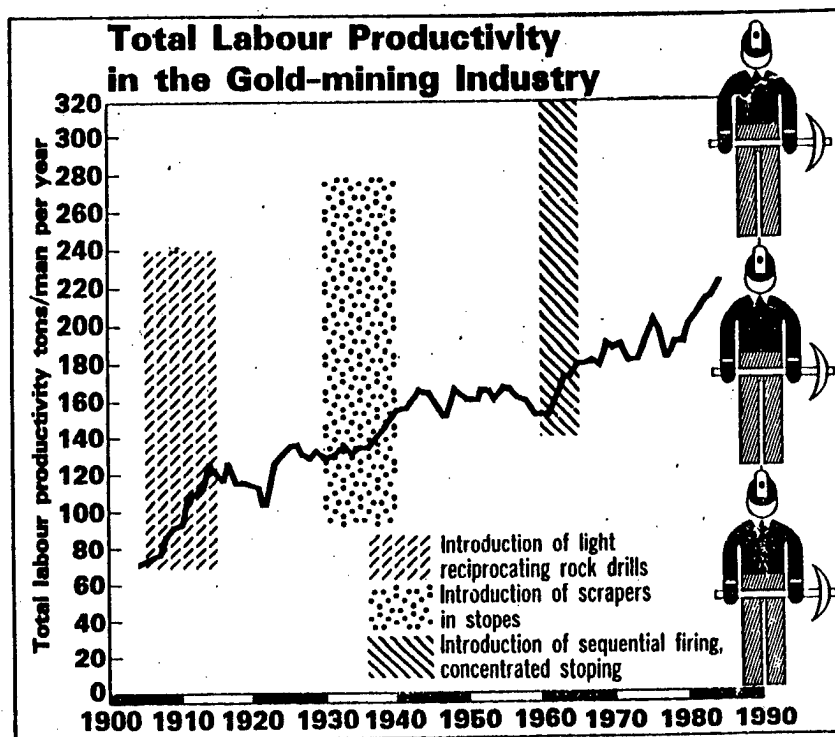
While much of the basic development has taken place locally, the RO was forced to have the larger industrial quantities produced overseas. It is now having these alloys produced locally.

The cost of changing fundamental technology is immense, but studies by Wagner have shown that mining can still be economical if the capital injection is accompanied by an increase in face advance and labour productivity.

The capital invested in a gold-mining stope face is between R1 500 and R3 000 a metre, while on highly mechanised coal mines the investment can be up to R100 000. The higher output enables the coal mines to maintain their economic viability.

Wagner is confident non-explosive mining will ultimately become part of the industry but admits that because the changes are dramatic, they will take place over a long period.

Historic evidence backs him up. At the turn of the century, most drilling was done using hammer drills. The first reciprocating models were introduced in 1908, but it was 1928 before 97% of the gold mines had changed to this method.



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CSO: 3400/166

## MOTOR INDUSTRY DIFFICULTIES EXAMINED

Johannesburg WEEKLY MAIL in English 23-29 Jan 87 p 11

[Article by Auret Van Heerden: "Running on Empty"]

[Text]

IN 1984, its last "good" year, the South African motor industry generated over R10-billion.

Just a year later, car and component manufacturers lost R450-m each — and things haven't looked up since.

Founded on foreign investment and technology, the industry has run aground on high input costs, especially for imported components, and falling sales in overtraded markets.

It has the capacity to produce 400 000 cars a year, but the market will presently absorb less than 200 000. This has left 50 percent of the industry's expensive technology idle and, according to the National Association of Automobile Manufacturers of SA (NAAMSA), led to the retrenchment of 35 000 motor workers between 1982 and 1986.

Component manufacturers have had to cut 25 000 jobs in turn, and falling sales have cost about 30 000 jobs in the retail sector.

Feeder industries such as paint, rubber, steel, textiles, plastics and petro-chemicals have also been hit.

Car sales for 1986 tumbled to a 10-year low. They had the worst November since the late 60s, and the 13 101 cars sold represented a 25 percent drop on the previous year's figures. The drop in December was an even dizzier 63 percent.

Busses and trucks fared still worse — you have to go back 24 years to find lower numbers.

None of the car manufacturers are able to make a profit at the moment, and they are faced with massive

investment demands in introducing new model lines. Tooling-up for the production of a new small car costs between R40-R70m, and for a medium to large car R60-R100m.

Most of this is spent on imports from Germany and Japan, where powerful currencies have dramatically pushed up the production costs of local manufacturers. Imported component prices have rocketed 350 percent, and local ones 150 percent, since 1982, pushing car prices up some 200 percent. Average car price rises last year were around 35 percent.

Figures like these have forced three manufacturers to quit altogether, and brought about two mergers.

Industry representatives have ready explanations for their poor performance. They point to declining real incomes and inflation, and high petrol and running costs, which have strained motorists' budgets. Companies are short of cash and fleet sales have suffered.

Expensive HP charges, and the threat of punitive perks taxes, have further dented consumer spending.

These problems are real, and affect most of South Africa's manufacturing industry — but they are not solely to blame. The car makers are being buried in an avalanche of errors for which they must ultimately bear responsibility.

They started out assembling kits that were imported from parent companies overseas, so it made some sense to set up in the Eastern Cape,

near to ports and with abundant cheap, but relatively skilled, labour. These plants were far from the big markets but subsidised rail charges made up for that.

Local content regulations, however, and increasing demand, forced companies to switch from assembly to full production. From then on it made less sense to be in the Eastern Cape. It was far from the Witwatersrand, which was the major source of raw materials, and the main market. Costs started to rise.

The Japanese lines were only established later and, along with the French and Italian makes, chose the Transvaal instead to avoid the higher input costs borne by GM, Ford, VW and Mercedes in the Eastern Cape.

But choosing the right or wrong location didn't alter their basic approach much. All were out to produce and sell as many cars as they could, and the devil take the hindmost.

Well, it did.

The SA market was soon flooded with too many models by too many producers. By the 1980s, 12 producers were rushing out over 40 basic models. Today, after a considerable shakeup, the industry still has seven producers offering 29 basic models.

The big six producers in Europe provide fewer models to contest a market that swallows 10-m cars annually, whereas local buyers sip a discreet 250 000 in good years. The white market is saturated, with 450 cars per thousand of the population, while the black market has barely been penetrated, with only 40 cars per thousand.

Production capacity was recklessly increased as companies fought to

increase market share by producing yet more units of more models. Eventually, they reached the point where they needed total sales of around 300 000 for the industry to show a profit.

Companies cut costs to the bone in their fight to survive. The 220 component manufacturers who are totally dependant on the auto industry were pushed to lower their prices or face cancelled orders. They in turn had to cut input costs, especially jobs and wages.

Mergers cut jobs further. SAMCOR, formed when Ford and Sigma (itself a product of mergers) joined forces, was able to cut its labour bill in half, and the Ford plants at Neave and Struandale in Port Elizabeth were closed.

More painful adjustments are inevitable, and the repercussions will be devastating — especially for workers. Machines will replace men, following the trend in Europe where the labour content per car has been cut by 50 percent, and total employment slashed.

The Port Elizabeth-Uitenhage region, which has been dying for years, will be badly hurt. It already bears one of the heaviest unemployment rates in the country — about 45 percent for men and 55 percent for women — and over 60 percent of economic activity is tied to the auto industry. As a politicised and militant region, the implications of this slow economic death are obvious and frightening.

PE bears important lessons for the industry as a whole, but whether they will be learnt is uncertain. Producers have proved to be too shortsighted to learn from overseas mistakes, and the blur of competition may obscure local experience as well.

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CSO: 3400/166

HALF OF WHITE ADULTS CONCERNED OVER DISINVESTMENT

MB131702 Johannesburg SAPA in English 1612 GMT 13 Mar 87

[Text] Johannesburg, 13 Mar (SAPA)--High income earners, older people and the English-speaking whites were more worried and concerned about disinvestment from South Africa, according to a recent study.

The survey conducted by the Market Research Africa found that one in every two white South African adults were greatly distressed about the shedding of foreign investment.

"Concern is greatest with those in executive, managerial, professional, and technical occupations, and with those in the A income group where average monthly household incomes exceed R3500," it said.

It found that:

-- Fifty-five percent of the high income earners were deeply concerned about the effects of the campaign.

-- Older people were more worried than the young. Only 40 percent of 16-24 year olds were worried, compared to 56 percent those over 50 years.

-- Forty-four percent of Afrikaans speakers were worried, less than their English counterparts of whom 54 percent expressed concern.

The survey, conducted between March and May 1986, was based on a representative sample of 2,000 urban whites.

Commenting on the findings, Mr Brian Raath, head of the research group said: "Few people realise the long-term implication of disinvestment.

"A country like South Africa with its huge untapped resources and opportunities for development, apart from its capital requirements, needs to keep in touch with new technology and scientific advances," he said.

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CSO: 3400/267

## SOUTH AFRICA

### BRIEFS

FINANCE MINISTER SEES GROWTH PHASE--The minister of finance, Mr Barend du Plessis, says South Africa is moving from a phase of poor growth to a phase of positive growth. Addressing a public meeting at Muizenberg last night, Mr Du Plessis said every possible step has been taken to gear the economy for a growth rate of between 2.5 and 3 percent this year. Mr Du Plessis said the economy should be managed on a basis that will ensure South Africa a surplus on its current account and enable it to settle its foreign debts. Mr Du Plessis emphasized that the government could not only concentrate on curbing inflation. It has to make it possible for the economy to grow and create job opportunities. [Text] [Johannesburg Domestic Service in English 0500 GMT 19 Mar 87] /9599

CSO: 3400/267



JAPANESE S&T FIRM EXPANDS OPERATIONS IN SOUTH AFRICA

Johannesburg BUSINESS DAY in English 5 Feb 87 p 10

[Text]

C.ITOH, the giant Japanese trading conglomerate ranked among the world's largest corporations, is expanding its trading links with SA.

The company, which is already well established in SA as a supplier of heavy engineering equipment, is entering the highly competitive SA minicomputer market.

CIE Systems, the computer wing of C.Itoh Electronics, has appointed the National Computer Co (NCC) sole distributor of C.Itoh minicomputers and IBM-compatible terminals in Southern Africa.

NCC already markets Pertec minicomputers, about 600 of which have been sold in SA over the past six years. The C.Itoh and Pertec divisions are to operate independently.

NCC group MD Terry Burns says his company will offer complete C.Itoh solutions.

It will source C.Itoh printers and display terminals on an advantageous direct supply basis through SAPEC, the Reunert Information Systems subsid-

iary which distributes C.Itoh peripherals in SA.

C.Itoh's mini and superminicomputer systems have been developed over the past six years as mid-range multi-user systems for the business and public sector markets.

In the past two years the company has made massive inroads into the Pick operating system arena — an achievement which NCC expects to be repeated in Southern Africa.

"The equipment has been designed to implement the full powers of the 16 MHz 68020 CPU (central processing unit)," says a spokesman.

"It runs both the Unix and Pick operating systems and we'll be supporting both here. Pick is where the majority of our expertise lies. Third parties will be supplying the Unix expertise."

Pick-based software is claimed to be far simpler to work with than most other software products.

"It's ideal for the business which doesn't want or need a sophisticated DP department, yet does need sophisticated computing power," says the spokesman.

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CSO: 3400/249

## SA'S CSIR STRATEGY EMPHASIZES COUNTRY'S PRAGMATIC NEEDS

## Scientific and Industrial Research Council

Johannesburg SOUTH AFRICAN JOURNAL OF SCIENCE in English Nov-Dec 86 pp 604-606

## [Text]

The Executive of the CSIR has completed the first phase of a major review of the CSIR's activities, with a view to formulating its future strategy, and presented its findings and recommendations to the CSIR Council on 16 October. The review was undertaken for various reasons. First, last year's government white paper on an Industrial Development Strategy for South Africa highlighted the need to promote industrial development to achieve economic growth to meet the demands of a rapidly growing population. In this, specific responsibilities were assigned to the CSIR regarding technology transfer and development. Second, cutbacks in government funding and the need to earn a greater share of its budget through contract research to counteract inflation, mean that the CSIR will have to expand its technology-related activities. Third, recent international political trends have heightened the challenges and increased the demands that will be made on the CSIR. Fourth, the international marketplace in technology grows ever more competitive, with the result that in order to survive and flourish local industry requires a higher level of support than ever before.

**The change in course**

This will have various elements. First, the CSIR will strive to mobilise and manage its resources to the full. It will enhance its corporate behaviour and character. It will accept not only commitments to research and development (R&D) work, but also to the successful implementation of R&D findings

as its business. It will thus adopt a market-orientated approach in all its roles in order to become a force in developing South Africa as an industrial economy, as well as to promote national prosperity and enhance the quality of life for all South Africans.

It will also set out to market itself as a professional service in research, development and the implementation of research findings.

These objectives are encapsulated in its CORE MISSION STATEMENT: 'The CSIR undertakes, fosters and manages broadly based scientific research, development and technology transfer in support of and to meet the needs of South African industry, community interests and quality of life in a cost-effective and ethical manner.'

In its R&D line function the CSIR will start by determining what the marketplace wants and then endeavour to satisfy the needs of industry within acceptable time-scales. Initially, it will undertake R&D and assist with technology transfer to meet immediate market needs, but will also prepare itself to be able to service those needs likely to arise in the longer term.

The organization will continue to build on its traditional duties:

- To undertake directed fundamental research to develop innovative technologies of high potential market value.
- To provide national scientific and technical information services.
- To provide for the advanced training in research of scientists and engineers, and contribute to a more sophisticated

scientific and technical core in the country.

- To operate multi-user national scientific and technological research facilities on a contractual basis.

#### **Corporate personnel policy**

In order to succeed in its objectives, the CSIR recognises that it will have to compete aggressively in the marketplace for those skills it will need in entrepreneurship, innovation, management and leadership, as well as scientific and engineering expertise. Its staff recruitment policy will become one of greater flexibility and autonomy, which acknowledges success (and penalises lack of achievement), promotes on merit on an equal opportunity basis, encourages in-service training and the acquisition of new skills, and allows talent to be recruited as and when it is required, both within and outside the organization. It will provide a high level of scientific and technical leadership, and excellence will be rewarded in all staff categories.

#### **Financial and budgetary policy**

The CSIR has traditionally derived income from four main sources: the annual parliamentary grant, other grants and levies, and contract income from clients in the public and private sectors. From 1988/89, however, the present automatic increase for continuation funds on the parliamentary grant (typically 4-6% in recent years) will disappear. This decision of Treasury to apply zero-growth budgeting in these times of high inflation will force a new corporate income policy. As a consequence, future budgeting will be used to promote goal-directed activities and boost productivity.

In practice this will mean that corporate objectives will be met by goal setting on both income and expenditure. In general the amount currently spent on overheads will have to be reduced, the expenditure on less important functions will be sharply decreased, and equally generally more initiative will have to be shown in generating additional income from outside parties.

Corporate programmes, each with a high-level manager and small support staff, will be established. They will become channels for contract income to CSIR institutes,

in return for technology flows directed at problems of market sectors beyond the scope of a single institute.

A total costing audit in advance will be used to determine the resources required for each stage of a research project, which will enable a cost-benefit analysis to be made later. Once a research programme and its budget have been approved, institute management will take responsibility for achieving the objectives within the budget set. Cost-benefit analysis will be used as the primary instrument for assessing and controlling performance.

A new source of discretionary income may arise from ensuring that the CSIR retains some equity in the intellectual property which it generates in the form of new products and processes, and so earn future dividends and royalties arising from their commercialization by industry.

#### **Policy-making**

The CSIR will move away from using the Executive as the exclusive source of corporate policy and the committee system as the primary instrument for assessing this policy. Better provision will be made for new initiatives and formulations to come from lower levels of management, by such means as ad hoc task groups and think-tanks of senior managers as well as technical specialists at whatever level with the talent for long-term strategic planning.

The future operation of the CSIR will demand the wider exercise of management skills at all levels. The use of key performance area criteria as a management tool for improving leadership performance has been recognised. Specialist management training programmes will be provided from next year, in addition to which corporate responsibility for human resource development, finance, long-term strategic planning and marketing will be introduced at Executive level.

As an essential ingredient of the management function, greater attention will be paid to effective communication within the organization and to a marketing campaign to customers outside.

#### **Research function**

It is the research programme which will most significantly reflect the change of

course. Previously, attention has focused heavily on the inputs to an institute's research programme rather than outputs. Thus, no formal mechanism currently relates research effort to the predetermined goals for an institute's performance. In future, achievement in terms of results and costs will be monitored against corporate and institute objectives, something that has worked well hitherto with contract research.

The first step in drawing up a research programme will be the identification of market needs and demand. A balance will be required between the needs of the short term and the longer term. Specialists within and outside the CSIR will indicate the time and financial constraints for each project, a process known as identifying milestones.

The review of institute and corporate programmes, in terms of financial, technical and management performance, will in future be carried out typically every three years in great depth, possibly with outside specialists in the reviewing team. This process will be linked to reviewing the tenure of management appointments.

At institute level, encouragement will be given to problem solving and planning, through the agency of the most suitable people for the purpose. Steps will be taken to ensure that institutes in future rely on expertise in other institutes (or even outside the CSIR) rather than attempt to do everything in-house whenever possible. Individual researchers will be expected to retain any commitment to the marketplace until its need for the products of R&D have been satisfied by successful implementation.

#### *Role of basic research*

In spite of the heightened attention that will now be given to making the fruits of scientific endeavour work in the marketplace, so-called basic research will still have a place in the CSIR. It has an important motivating effect on certain unusually gifted individuals, and is vitally important in training researchers in research methodology. The support of future basic research work is seen as being tied to the generation of new knowledge required by the directed research programmes. It is thus an investment for the longer term, though likely to

have a different emphasis from past practice.

#### *Funding of university research*

The responsibility for funding research on merit at universities, technikons and museums in the natural and applied sciences, through the Main Research Support Programme, is a statutory mandate of the CSIR. Additional research is supported through the 11 National Cooperative Programmes, which are managed by the CSIR through the Foundation for Research Development.

The CSIR now declares itself willing to transfer to another body this responsibility for funding self-initiated postgraduate research at universities, and intends to convey this decision to the Advisory Council for Universities and Technikons and the Committee of University Principals. Council has also indicated its preparedness, should it be so requested by the universities, museums and technikons, to continue with the main programme for research support in close collaboration with these bodies.

#### *Managing the National Facilities*

The CSIR also has the responsibility for managing a number of large research facilities that originated outside the CSIR but were later incorporated (they include the Magnetic Observatory, the South African Astronomical Observatory, the Radio Astronomy Observatory, the Satellite Remote Sensing Centre and the National Accelerator Centre, among others).

In order to prevent these facilities being in financial competition with the rest of the CSIR, it is now recognised that each facility must in future have its own budget and negotiate its own funding with the Science Planning Branch on behalf of the user community.

#### *Focus on technology*

As part of its service to industry, the CSIR intends being both a generator of new technology through its own R&D programmes, as well as an agent for transferring established technology. In technology transfer, priority will be given to those companies with the necessary motivation, need and maturity to benefit from it.

These needs can now be identified by what is known as 'technology auditing',

which involves establishing a company's present and future technology requirements in relation to those which are available in-house and those which must be acquired from elsewhere.

It is also expected that South African industry can be stimulated by knowledge of new foreign technology acquired by means of 'technology scanning' through the CSIR's extensive overseas contacts and the Scientific Liaison Offices in Washington, London, Paris and Bonn.

To promote technology innovation, increased funding will be channelled to the institutes for specific projects with industry. Plans are already in hand to reserve an initial R5 million or so for the Technology Innovation Fund, a sum likely to grow substantially in the course of time. A separate fund to support technology transfer has been established within the Department of Trade and Industry and is likely to become an important new source of non-discretionary income for projects undertaken on behalf of industry.

#### *Formation of a Technology Company*

Consideration is being given to the formation of a Technology Company, whose activities could include the identification and marketing of technologies appropriate for the country, bringing users and producers of technology together, advising on patenting and licensing, and providing business skills as well as high-risk venture capital for the development and exploitation of technology.

The equity in such a company might conceivably be held by the CSIR, the Industrial Development Corporation and private enterprise. To be viable, a total shareholding of R50 to R100 million is envisaged. The operation should be based in or near Johannesburg and run like any other private company with regard to the recruitment and rewarding of staff, who would command skills in the management of high-risk, technology-based ventures.

Such a company would subsume the principal functions and assets of the South African Inventions Development Corporation (SAIDCOR).

The need to change SAIDCOR's traditional role is being forced by a recent government decision not to invest additional state funds in the corporation. That

traditional role has involved primarily a patenting and licensing function and the funding of joint ventures with industry. More than 250 patent applications are on file and a similar number of patents have been granted on South African inventions. SAIDCOR has invested about R15,5 million in the development and exploitation of local technology and has earned about R9 million in royalties and levies. This investment is expected to be recouped many times over in years to come. However, without the ready funds to promote joint ventures with industry, and given SAIDCOR's lack of the desired business skills to build on, the establishment of the Technology Company seems to be the logical next step.

#### **Historical reasons for a change of course**

In its forty-one years' existence, the CSIR has acquired a solid national and international reputation as a patron and source of basic and applied scientific research. The performance is all the more creditworthy given that the national investment in research is relatively meagre by world standards.

But with growth have come certain problems. Lately the CSIR's mission has become blurred. In its efforts to maintain an optimum balance between contract and basic research it plays several fundamentally different roles (as a manager of research, of research funding and of national facilities) and these have not been clearly delineated. This in turn has led to an absence of clearly defined corporate goals, strategies and tactics. Not enough attention has been given to the implementation of research findings and seeing that new technology was successfully transferred to its sponsors. The industrial marketplace has been relatively neglected. The predominant research culture has been essentially academic in character, rather than goal-orientated.

The adoption of personnel recruitment and promotion practices which closely reflect those of the Civil Service has not been ideally conducive to cultivating a lively and productive research community. A formal research management development programme is absent. Communication within the organization and the marketing of its services in the community at large have both been relatively ineffective.

#### The next step

The new strategy involves change for everyone at the CSIR. It is unlikely, however, that the present institutional structure will change radically for the time being. The new provisions will require a number of years to be fully implemented. Some actions will be taken immediately, others require further study before being finalised. The intention now is that most of the organizational and procedural issues still outstanding will have been resolved by the next meeting of the CSIR Council in March 1987.

### CSIR To Play More Active Research Role

Johannesburg BUSINESS DAY in English 29 Oct 86 p 9

[Article by David Furlonger]

[Text]

**INDUSTRIAL** and scientific research in SA is about to undergo a fundamental change in direction.

The Council for Scientific and Industrial Research (CSIR) is preparing to join the rat-race and become an active partner in the country's industrial development.

One of its main objectives will be to play a major role in the process of technology transfer — the means by which new technologies are developed for local needs.

A policy document setting out the CSIR's new role says: "The CSIR's mission has become blurred. In its efforts to maintain an optimum balance between contract and basic research, it plays several fundamentally different roles, and these have not been clearly delineated.

"This in turn has led to an absence of clearly defined corporate goals, strategies and tactics. Not enough attention has been given to the implementation of research findings and seeing that new technology was successfully transferred to its sponsors. The predominant research culture has been academic-inclined in character, rather than goal-orientated."

#### Cutting overheads

In shedding its "boffin" image, the CSIR will also become a hard-headed business. Overheads will be cut and each stage of research costed in advance. In addition to cash received for contract research work, it will

seek dividends and royalties from industry for products and processes it helps develop.

Says CSIR president Chris Garbers: "If you succeed in making something pay, we will take something for royalties."

The CSIR's profit-motive is guided partly by government's decision to re-assess, from 1988/89, the average 4%-6% increase the council has received in funding, and to impose zero-based budgeting.

Should the CSIR make substantial profits in its new deal with industry, will this persuade government to tighten its purse strings still further?

"I don't know," says Garbers, "but I believe there will always be a need for government input for infrastructure and to enable something like the CSIR to take a long-term look at research needs."

In becoming market-orientated, the CSIR will move away from the public-service mentality of jobs-for-the-boys.

"It will have to compete aggressively in the marketplace for those skills it will need in entrepreneurship, innovation, management and leadership, as well as scientific and engineering expertise," says the policy document. "Its staff-recruitment policy will become one of greater flexibility and autonomy, which acknowledges success and penalises lack of achievement."

The CSIR's immediate task — assessing technology-transfer needs —

will be achieved through privatisation of the SA Invention Development Corporation (Saidcor). The new company will be controlled jointly by the CSIR, the Industrial Development Corporation and private enterprise.

The company will have a total shareholding of R50m-R100m.

Technology needs will be assessed through a system of "technology auditing". Experts will examine a company's technology requirements, see what is available in-house, what locally, and what must be brought in from overseas.

"Priority will be given to those companies with the necessary motivation, need and maturity to benefit from it," says the document.

Overall technology needs of industries will also be assessed. But this will not prohibit single companies from seeking assistance, Garbers adds.

"I don't want to be proscriptive. Industry has to ask for a technical audit. We're not going to impose it.

### Determining needs

"We would like to operate over the whole spectrum — from major operations to small industry. Where we deal with the latter, we would work closely with the Small Business Development Corporation in determining needs."

He says initial response from industry has been mixed: "We have critics and supporters. On the whole, reaction has been very supportive.

Some individuals say it should be left to industry itself."

The purpose of technology transfer is to overcome the lack of research and development available in SA. The small market and limited research facilities make it both impractical and uneconomical to operate at levels which can be achieved overseas.

In order for SA not to fall behind in industrial technology, SA must make use of local and overseas development and adapt it to SA conditions and needs.

The sanctions threat — in addition to a growing reluctance by international scientific organisations to maintain relations with SA — makes such a process vital to maintain SA's industrial development.

Garbers admits: "We have already experienced problems in getting overseas technology." But he adds: "There will be no poaching. We will be very straightforward."

The danger remains, however, that SA may become less straightforward if its development is threatened.

Pressed on whether SA will be forced to pirate technology, Garbers says: "It isn't something that has happened in the past. If we come to that bridge, we will have to cross it.

"It must be borne in mind we are doing 0,3% of the world's research and development effort. There is an enormous amount of development overseas. If we are kept away from that development, it will hurt and erode our ability to be competitive."

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